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## NEWS SUMMARY

GENERAL BUSINESS

**Floods threaten 750 homes**  
Selby, Yorkshire, prepared for mass evacuation because of floods. The threat to more than 750 homes grew as the River Ouse broke floodbanks to the north.  
A train stood by to take residents to reception centres. Social services had already handled 100 evacuees and arranged a further 1,300 places. Weather forecast, Back Page.

**All-out strike call at Sealink**  
Union officials representing 1,200 Sealink UK officers called for an all-out strike at the company's nine domestic and continental ferry ports.  
The action was called after a management decision to withdraw services at Newhaven and reduce them at Harwich.

**Pledge on Poland**  
West Germany is ready to work with its Western allies to give financial aid to Poland if the Warsaw military regime permits a return to reform. Foreign Minister Herr Hans Dietrich Genscher said, Back Page, Page 2.

**China visit**  
Premier Mrs Thatcher will pay an official visit to China in late September, deputy Foreign Secretary Humphrey Atkins said after talks with Chinese premier Zhao Ziyang.

**Scientist hurt**  
Top Irish forensic scientist Dr James Dunovan was seriously injured after being blown up by a car bomb as he drove to work in Dublin.

**Iran executions**  
Exiled Iranian guerrilla leader Masoud Rajavi said in Paris that Tehran's bloody regime had executed more than 8,000 over the last six months.

**Boots beats blaze**  
Texas oil troubleshooter Boots Hansen snuffed out a 40-foot flame at a rough oil well in Yorkshire. It had been burning since December 21 after a blow-out, Page 5.

**Arson warning**  
Arson attacks on English-owned holiday homes in Wales are to be stepped up, the Welsh extremist group, Sons of Glynwed, warned.

**Sari banned**  
Pakistan banned women Government workers from wearing saris because they are un-Islamic. Women must wear long shirts and baggy trousers.

**Rape fine 'pitiful'**  
Father of a 17-year-old rape victim said the £2,000 fine on the girl's attacker, businessman John Allen, was unjust and pitiful.

**Spam search**  
Health officials are searching for a consignment of contaminated Spam after a woman in Rugby, Warwickshire, opened a 6 oz can of rotten meat.

**Beggars union**  
Beggars in Jaipur, north India, formed a union with the slogan "Beggars of the world unite."

**Briefly...**  
India drew the fourth test with England in Calcutta finishing at 170 for 3.  
Prince Charles, who owns an Aston Martin, granted the company the Royal Warrant of appointment.  
Wales' population will rise from 2.8m to more than 3m by the year 2010, according to a Government survey.  
Jeanetta Thomas, 112, thought to be Britain's oldest person, died in Cowbridge, South Glamorgan.

**CHIEF PRICE CHANGES YESTERDAY**  
(Prices in pence unless otherwise indicated)

RISES		FALLS	
Treasury 3% 1986	5694 + 1	Vickers	150 + 6
Atken Home	165 + 10	Ward (L.W.)	228 + 12
Bank of Scotland	515 + 17	Venterspost	428 + 11
Berisford (S. & W.)	128 + 7		
Brown & Tawse	140 + 10	Amstred	217 - 13
Guinness Peat	95 + 7	Euroflame	124 - 31
Holden (A.)	187 + 50	Mercantile House	410 - 13
Int Paint	217 + 5	Quest Automation	100 - 33
Kitchen Taylor	102 + 7	Berkley Exp	245 - 10
McCormac	136 + 6	Cambridge Petroleum	285 - 10
Plessey	133 + 9	Allstate Exploration	24 - 4
Royal Bank Scotland	197 + 11	De Beers Deft	85 - 7
Silentnight	93 + 4	Kitchener Mining	95 - 5
Tate & Lyle	525 + 15	Renison	285 - 8
Unigate	108 + 10	Santos	397 - 15
		Tara Exploration	497 - 8
		Western Continental	40 - 10
		Western Mining	234 - 8

## Post Office fund to seek injunction on Gill compensation

**BY JOHN MOORE**  
A COURTROOM battle is set to break out over the record compensation package worth more than £700,000 which Associated Communications Corporation, the entertainment conglomerate headed by Lord Grade, intends to pay to its former managing director.  
The Post Office Superannuation Fund, which holds 2.5 per cent of Associated's non-voting "A" shares, is seeking an injunction against the company to stop Mr Jack Gill, 62, the former managing director, receiving £500,000 in cash.  
The fund is also seeking to stop Mr Gill from being allowed to buy a company house, with a market value of £275,000, for £165,822.

The unusual move by a major investing institution, which is being supported and largely financed by the National Association of Pension Funds, has come against a background of mounting anger over the circumstances of Mr Gill's departure from the group and the size of the payment which is intended to be made to him.  
Sir Leo Phlatzky, a director of Associated, has described the episode as "unsavoury and distasteful." He said yesterday: "If minority shareholders feel the need to take additional action they should be able to do so. I am not critical of their action."  
Associated had planned to hold a meeting on Friday of voting shareholders to approve the compensation payment to Mr Gill, who has been acting as a consultant to Trident Television in recent months.  
Lord Grade was believed to be in the U.S. yesterday.  
Approval of the package looked a foregone conclusion until yesterday, as Lord Grade holds 27.6 per cent of the voting shares, and Mr Gill holds another block of shares of 15 per cent which he could cast if the vote seemed in doubt.  
Lord Matthews, another Associated director who owns and influences another 9 per cent of the shares, had said he planned to vote against, but other directors representing 45.3 per cent of the shares had undertaken to vote in favour of the £560,000 cash payout.  
But lawyers for the Post Office Superannuation Fund are seeking an undertaking from Associated that, regardless of the outcome of Friday's meeting, no payment will be made to Mr Gill until the court has decided on the injunction bid. The matter is due to come before the court next Monday.  
Gill pay-out tax charge call, Page 5.

## Regan expects tax increases to keep down U.S. deficit

**BY REGINALD DALE, U.S. EDITOR IN WASHINGTON**  
PRESIDENT Ronald Reagan was still resisting pressure from key Republicans in Congress to introduce a windfall profits tax on natural gas, which, it has been estimated here, could bring in up to \$20bn a year.  
Options for increases included excise taxes on beer and wine, Mr Reagan said. The Administration has also studied "user" fees for people seeking public services like coast guards, and fresh measures to close tax loopholes.  
The Treasury Secretary said that if the proposals were accepted, deficits for the two fiscal years 1983 and 1984 would be "much lower" than \$100bn. Mr Reagan originally promised to bring the budget into balance by 1984.  
Unofficial administration estimates last month put the 1983 deficit at \$152bn and the 1984 figure even higher at \$163bn. But Mr Reagan said yesterday that these were "raw" figures, which had no semblance to what the President would be delivering to Congress when he delivers to Congress his budget message on February 8.  
Mr Reagan rejected Tuesday's prediction by Dr Henry Kaufman, the Wall Street Economist, that U.S. interest rates this year would return to last year's near record levels of more than 20 per cent.  
Mr Reagan also confirmed that the President was still determined not to let his budgetary problems interfere with his plans for a massive build up of America's defences—despite the likelihood of strong opposition in Congress at a time when social programmes are subject to continuing cuts.  
The target for defence spending in fiscal 1983 was a 15 per cent increase—or 7 per cent after inflation—bringing total obligatory authority to \$245bn, Mr Reagan said. Actual defence spending next year would rise by 18 per cent to \$215bn.  
At the White House, Mr Larry Speakes, the deputy Press Secretary, said that Mr Reagan would make his final decisions on the fiscal 1983 budget by the end of the week. The only way to get control of the budget was to "get hold of these escalating entitlement programmes," he said.

## RTZ raises offer for Ward

**BY DUNCAN CAMPBELL SMITH**  
RIO TINTO ZINC, Britain's largest mining group, has increased the terms of its seven-week-old bid for Thos. W. Ward, the industrial holding company. Ward rejected the new terms as "still clearly inadequate."  
RTZ is offering convertible loan stock or a 225p cash alternative for each of Ward's shares, which last night valued the company at £130m or £131m respectively, against the £111m value of RTZ's initial bid. RTZ's 9 1/2 per cent 1985/2000 loan stock closed 3p lower at 427p.  
The offer is also increased to include the final dividend of 5.2p per share already recom-

## Ford men 'likely to accept' 7.4% rise

**By Ivo Dawson**  
UNION LEADERS representing Ford's 54,000 manual workers were confident last night that a majority of the workforce had endorsed their recommendation to accept the company's pay offer.  
Yesterday's mass meeting at 15 plants, representing a total of 22,500 workers, agreed to the 7.4 per cent offer, while six plants—accounting for 15,210 workers—rejected the settlement.  
Votes taken early this morning by three Dagenham night-shifts as well as polls due later today from Halewood transmission shop and the Langley truck division account for a further 11,350 workers.  
But union leaders said last night that the trend indicated that acceptance of the offer was virtually certain.  
Mr Ron Todd, chief negotiator for Ford's 13 unions, said the traditional method of assessing the outcome of the poll by allocating one vote to each plant already showed a majority for acceptance.  
Mr Jack Whyman, secretary of the 56-strong negotiating committee, said last night that the meetings had produced a good result for the unions.  
"As far as I am concerned there are enough votes now for a majority," he said. "I am confident that other locations will follow the trend."  
Earlier in the day 10,000 workers at the Halewood body and assembly plants voted by a majority of more than three to one to oppose the deal, adding to the initial unease of the union leadership.  
But afternoon polls of day-shift workers at the Dagenham assembly, engine and foundry plants showed a substantial majority for acceptance. The body plant, however, returned a split vote with no clear decision.  
The unions' negotiating team will reconvene in London tomorrow to announce the result and prepare for a final meeting with management next Wednesday where the details of the package will be hammered out.  
Continued on Back Page  
Disastrous sales year for Ford in U.S., Page 3.

## Labour wrangles may be over after meeting

**BY JOHN LLOYD, LABOUR CORRESPONDENT**  
TALKS between Labour Party and trade union leaders last night produced a convincing appearance of unity and a possible truce between left and right.  
The one-and-a-half day conference called by the Trade Unions for Labour Victory organisation heard Mr Michael Foot, party leader describe it as "historic."  
Mr David Bassett, general secretary of the General and Municipal Workers' Union and chairman of the TULV has guided the trade unions into a dominant role over the party. He made it clear afterwards that the status quo over the party's constitution, the leadership and deputy leadership would be maintained at least until 1984.  
"We have a leader and we have a deputy leader and I don't think that will be disturbed. We have had debates over constitutional issues. I don't think they will occur again," he said.  
Union leaders left the meeting at Bishops Cleeve convinced that Mr Tony Benn will not challenge Mr Denis Healey, deputy party leader, in the immediate future. This was an impression Mr Healey appeared to share, although Mr Benn would not confirm that he would not stand again.  
Mr Healey said: "The unanimous feeling was that the meetings must stop. This is very much a turning point in our affairs. The Labour movement is pulling together while the SDP is pulling apart."  
Mr Foot said his impression that Mr Benn would not stand again was fortified by the meeting.  
Mr Benn has been left in no doubt that he can expect minimal union support if he decides to stand once more.  
The structure of the conference and the unions' clear determination only to support a Labour Party which presents a consistent set of policies and a united front showed that the unions are in the driving seat of the Labour movement.  
Mr Bassett and other union leaders denied that they wished to take any part in policy-making. However, they have effectively barred inner-party electoral contests on pain of bankruptcy, exercised at least a financial veto over party programmes, and will intervene heavily in local party affairs.  
"Both union and party representatives swore 'euphoric' over the outcome of the meeting. All sides pledged themselves to unity in the fight against the Conservatives.  
Commitments included:  
• That the unions would fund Labour's campaign to put its policies to the country in the coming months.  
• That they would undertake to improve the party's parlous financial base in a phased programme over the next five years. A director of finance will be appointed.  
Continued on Back Page

## £1.5m loss for Quest

**BY DOMINIC LAWSON**  
QUEST AUTOMATION, Europe's largest independent manufacturer of computer-aided design systems, yesterday reported a first-half pre-tax loss of almost £1.5m. The figure, for the half-year to August 31, excludes doubled research expenditure of £901,000 and is sharply higher than the loss of £347,000 for the comparable 1980 period.  
The company said it expected to make a loss over the full year. Last year it reported pre-tax profits of £813,000.  
The share price fell 25 per cent from 135p to 100p after the results were announced. At one point the price was 85p.  
One jobber described the company's figures as "absolutely disastrous."  
Mr Tony Ebel, managing director, blamed the results on falling demand for the company's larger systems. Quest would continue to "plough money into fixed assets and expand our product range."  
Quest has been handicapped by having no presence in the U.S. market which accounts for 60 per cent of world demand. It has traditionally exported 15 per cent to 20 per cent of its turnover to Warsaw Pact countries.  
Quest obtained full Stock Market quotation last November. Four months earlier the National Enterprise Board (now part of the British Technology Group) put nearly £2.9m into Quest to increase UK presence in the market for computer-aided design/manufacture products.  
The British Technology Group said it continued to look on Quest as a company with "very good growth prospects on a long-term view." It had absolutely no regrets about the investment.  
Details, Page 20



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**CONTENTS**

North Sea revenues: the oil tax teaser	18	Marketing: the UK's recession-within-a-recession	16
Economic viewpoint: a guide for the perplexed	19	Technology: Ferranti's military micro-computer	16
China: foreign interest grows in offshore oil	4	Editorial comment: inner cities; Mexico	18
Business law: Swiss banks' hidden write-offs	15	Lombard: Jonathan Carr on the rift between Paris and Bonn	19

American News	2	Entertain. Guide	17	Marketing	16	Technology	16
Appointments	14	European News	3	Mining	21	TV and Radio	15
Appts. Advts.	8-14	European Options	21	Money & Exchanges	16	UK News	16
Arts	17	Euromarkets	22	Overseas News	25	General	5-6
Base Rates	21	FT Actuating	28	Labour	7	Unk. Trusts	25-29
Commodities	27	Leader Page	18	Legal	15	World Trade News	32
Companies UK	20-21	Letters	18	Stock Markets	30-31	World Trade News	4
Crossword	17	London	32	London	28	ANNUAL STATEMENT	
Econ. Indicators	21	Lombard	19	Wall Street	28	Scottish Inv. Est.	20
		London Options	21	Bourses	28		

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# Questionmark hangs over role of Communist party

BY OUR FOREIGN STAFF

THE FUTURE role of the Communist Party in Poland is rapidly becoming one of the most important problems to be faced by the military authorities as they look beyond the immediate task of making the country function under martial law.

Reports from Warsaw say that some senior party officials have discussed the possibility of disbanding the Party altogether.

This drastic suggestion was apparently made during a visit by a high-level Hungarian delegation to Poland last week. Mr Janos Kadar, Hungary's President, apparently warned General Wojciech Jaruzelski some months ago that the Solidarity union could not be controlled without the imposition of martial law.

The corollary of this is the



CRISIS IN POLAND

Communist Party's continuing collapse under martial law, even though hardliners in Poland and commentators in Moscow have been urging the

party to revive itself. But there are reports of party membership decreasing sharply even during the past four weeks. The number of members is now reckoned to be about 1.5m compared with 3m in July last year.

Thousands of members of the Warsaw branch, considered one of the most conservative, are said to have resigned. In Gdansk, two thirds of the university teaching staff are believed to have handed in their cards, while in many factories baskets have been put out to collect returned party cards.

Meanwhile, General Jaruzelski has been exploring ways of establishing a new political framework within which the Communist Party would play a less exclusive role than hitherto, perhaps in some form of alliance with other political parties. Recent efforts to set up a Christian Democrat Party have already been scotched by discouragement from the Church but may indicate the way in which the authorities are thinking.

At Monday's first meeting of a new socio-economic committee set up under the chairmanship of Mr Mieczyslaw Rakowski, the Deputy Premier, the members included the leaders of the Democratic Party and of the Peasants Party.

These tiny parties were formerly "safe" components of the coalition that governed Poland with the Communists before martial law. Recently, however, they had been trying to establish a more independent role.

The general has also set up two other committees to explore ways of creating a new political framework. One is led

by Mr Stefan Olszowski, the hardliner party politburo member, who is trusted by Moscow as much as he is hated by Solidarity. He can be expected to argue for a reorganisation of the Communist Party as it stands.

The other committee is headed by Mr Hieronim Kubiak, an intellectual from Krakow who is probably the least conformist member of the revamped politburo which emerged from last July's party congress and who had earlier suggested that the party should share power with other elements of Polish society.

Warders guarding Solidarity internees at a camp at Strzebiele near Katowice had to be replaced because they are being "demoralised" by the inmates, according to recent visitors. The morale of the internees is said to be high, with

many wearing Solidarity badges decorated with pictures of prison bars. At another camp at Pruszez, younger members of the union had been held in tents, according to the same report.

Meanwhile the recent photographs of violence on the Baltic coast during the first week of martial law are being buttressed by details of injuries. A raid against workers at the Gdansk oil refinery is said to have caused some deaths, with 10 serious casualties known to have been admitted to hospital. Workers are said to have been forced to lie on the snow in chains, while some were beaten with iron bars.

The elder son of Mr Rakowski has asked for political asylum in Spain, a week after the politician's younger son defected in West Germany.

strongly anti-democratic in tone. His denunciation of this pamphlet and rumour-mongering underlines the extent of his concern over continued unrest.

He went out of his way to call upon the military to achieve a better understanding among themselves.

The theme of media treatment of the armed forces has also dominated in a series of statements made by Sr Alberto Oliart, the Defence Minister, during the Epiphany ceremonies which were held yesterday and on Tuesday.

This appears to be connected directly to the tension created by the publication in December of a manifesto signed by 100 officers and NCOs protesting against media treatment and sympathising with those involved in the coup attempt.

Thirty-nine signatories are still detained in various parts of Spain.

This punishment has been one of the first signs of firmness in dealing with disaffection. The joint chiefs of staff, along with the Government, have also done their best to stamp out efforts to start a sympathy movement within the forces since the manifesto's contents drew wide support. The manifesto was seen as one further move to increase the climate of tension in the run-up to the trials of the 32 officers involved in last February's events.

At the same time the Government and military leaders have done to great lengths to remind the Press of their responsibilities in reporting the military and of the latter's sensitivities. Sensational treatment of the trials that humiliates the armed forces as an institution is a serious government fear.

The King also denounced the circulation of pamphlets within the armed forces that sought to create divisions. Many of these pamphlets have been hostile to the King himself and have been

# Juan Carlos bid to win over armed forces

BY ROBERT GRAHAM, IN MADRID

KING JUAN CARLOS of Spain yesterday made a significant effort to win the full co-operation and loyalty of the armed forces in a speech marking the traditional military celebration of Epiphany. The tone of the King's speech was low key and in stark contrast to the firm call to order he issued just before the coup attempt last February.

Since then the King has devoted much time and energy to trying to appease the armed forces and regain the confidence of those elements who felt betrayed by his rejection of a military-backed government.

The speech, delivered in the presence of all senior members of the armed forces at the royal palace in Madrid, emphasised concern felt by the military about unfair and sensational treatment in the media.

The King implicitly criticised some media coverage stating that the armed forces had been subjected to "exaggerated attention." He also sympathised with their difficulties in replying to what they regarded as unfair or unjust Press treatment.

The armed forces were reminded, however, that they were not the only body affected by the transition to democracy.

Reporting from Warsaw, the newspaper said more and more documents were emerging that showed "counter-revolutionary" leaders to be "unprincipled, blood-thirsty, cruel people ready to sacrifice thousands of lives to fulfil their aims."

The unusually strong wording was published against a background of reports from the Polish capital suggesting that some interned leaders belonging to the Solidarity free union movement or dissident groups would be released in the near future.

The tone of the Pravda article suggested that Moscow could see fresh trouble ahead for the Polish authorities if many extremists were not imprisoned for long spells.

The article suggested that Poland's long-term security picture, as Moscow sees it, would figure in talks between the Kremlin and the Polish Foreign Minister, Mr Jozef Cyrrek, whose imminent arrival in the Soviet capital was announced on Tuesday night.

The Soviet Press also gave wide prominence to the Kremlin's denunciation of the decision by European Community foreign ministers not to undermine U.S. sanctions against Poland and the Soviet Union.

# Moscow vents fury on Polish activists

By Our Moscow Correspondent

PRAVDA, the Soviet Communist Party newspaper yesterday issued one of its fiercest attacks on Polish activists, accusing them of having sown "inhuman, psychological and physical terror" in Poland before martial law was imposed.

Reporting from Warsaw, the newspaper said more and more documents were emerging that showed "counter-revolutionary" leaders to be "unprincipled, blood-thirsty, cruel people ready to sacrifice thousands of lives to fulfil their aims."

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Did Washington expect the deep split in the Western Alliance when President Reagan announced his economic sanctions against the Soviet and Polish Governments? The diplomats say that well in advance of the army coup in Warsaw, U.S. and European officials had discussed a catalogue of reactions to various moves on Poland of which it was assumed the most likely would be a Soviet invasion. No firm commitments were made by the Europeans. This was merely a dry-run exercise, conducted by officials and not politicians. But the Europeans do not doubt that they were not enthusiastic about imposing economic sanctions of the kind being considered in Washington.

The U.S. had warned of an imminent Soviet invasion of Poland with such monotonous regularity that when the Polish army and security forces struck on December 13 it looked almost encouraging to some European governments. Here was one line of repression the Americans had largely ruled out. The Europeans felt it clearly did not warrant the more drastic retaliation proposed by Washington if the Russians invaded Poland such as halting European participation in the natural gas pipeline to be built from Siberia to Western Europe.

In the event the Europeans complained bitterly that they were barely consulted by Washington before President Reagan announced his counter-measures 16 days after the generals took over in Poland.



Mr Jozef Cyrrek (below)

# Tougher stance over clampdown considered France may cut Soviet gas order

BY TERRY DODSWORTH IN PARIS

FRENCH MINISTERS are considering a reduction in planned purchases of Soviet gas to back up the Government's tough diplomatic line over the Polish military takeover.

The argument in the French administration revives a debate that has been going on during the past 18 months over the amount of gas the country should buy via the new Russian pipeline to Western Europe.

France has reached an informal outline agreement for the delivery of 8bn cubic metres of Soviet gas a year, amounting to about 33 per cent of the country's projected gas

needs in 1990. But opponents would like to see this cut by at least half.

The Government's willingness to reconsider the gas contract marks a volte face after the rejection of recent U.S. warnings against increasing France's dependence on Soviet supplies.

Following talks with a Soviet delegation in November, French negotiators were preparing to conclude the agreement and fix prices.

Doubts about the contract have come mainly from the Foreign Ministry, where some officials accept the U.S. argument that it could be economically and politically dangerous to put the country into a position of over-reliance on Soviet gas.

According to Government plans for the increase in natural gas consumption, the Soviet supplies would account for about 5 per cent of the country's total energy use by 1990.

In addition to these fears, a cut in the proposed gas contract would give more substance to the "red line" taken by President Francois Mitterrand on Soviet complicity in the Polish crisis.

bureaucratic machinery before it could even reach the policymakers.

The diplomats explained that foreign policy options presented to President Reagan were carefully filtered through his top aides from his California years — people like Mr Edwin Meese,

thought the situation in Poland to be so unexceptional that he would not have left home just before martial law was imposed. But not all the members of his embassy had ruled out the Polish military option.

An astute young U.S. diplomat of Polish extraction was

Most of the Americans, like other foreign diplomats in Warsaw, did not believe the Polish army leadership would be able to carry out such an enormous task without tearing itself apart. The U.S. ambassador to Poland, a highly-regarded career diplomat, thought the situation in the country to be so unexceptional that he left on home leave shortly before martial law was imposed.

telling anyone visiting the Embassy who would care to listen that Poland could not survive this winter without radical changes. Either General Jaruzelski the Solidarity Union and the Polish Catholic Church would get together to form a new "Government of national understanding" or the General would be forced by Moscow to take matters into his own hands. He noted that the Soviet Union would choose to intervene militarily in Poland only as a last resort, when the Polish army had exhausted its possibilities.

It is unclear whether this accurate assessment ever reached the State department in Washington. It was almost certainly weeded out in the

the most influential White House adviser on foreign policy.

Thus, responsibility for the conduct of American policy towards Poland appears to have been left essentially in the hands of men whose political horizon barely extended to Western Europe, not to speak of Poland.

In all fairness, even leading Solidarity officials had also refused to believe the Polish army was capable of carrying out a coup. As late as last August, Dr Bronislaw Geremek, one of Mr Lech Walesa's closest advisers, told the Financial Times that he did not think the Polish army "has the men to carry out a coup d'etat" in support of the Communist party. At that time the possi-

bility of just such a coup was the talk of Warsaw.

Did Washington expect the deep split in the Western Alliance when President Reagan announced his economic sanctions against the Soviet and Polish Governments? The diplomats say that well in advance of the army coup in Warsaw, U.S. and European officials had discussed a catalogue of reactions to various moves on Poland of which it was assumed the most likely would be a Soviet invasion. No firm commitments were made by the Europeans. This was merely a dry-run exercise, conducted by officials and not politicians. But the Europeans do not doubt that they were not enthusiastic about imposing economic sanctions of the kind being considered in Washington.

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In the event the Europeans complained bitterly that they were barely consulted by Washington before President Reagan announced his counter-measures 16 days after the generals took over in Poland.

He is expected to emphasise the growing disillusionment in Spain about EEC membership because of the lack of progress in the negotiations, which began nearly three years ago.

In public relations terms, Sr Calvo Sotelo may find his talks less fruitful than the visit to London which he will make tomorrow. This is expected to yield an Anglo-Spanish agreement on a date for re-opening the border between Spain and Gibraltar, which might in turn raise the prospect of a lifting of Madrid's sanctions against the Rock.

Sr Calvo Sotelo was the Spanish minister in charge of EEC entry negotiations when they began, and his decision to make a personal appeal for speedier progress is seen as a measure of Madrid's concern. The negotiations, and also

those with Portugal, have been held up since June 1980 when France with the silent support of most other member-states, decreed that none of the major issues could be settled until the Community had agreed its own internal reforms of agricultural and the budget.

Since then, the Ten's commitment to Spanish membership has seemed increasingly more rhetorical than real. Last November's EEC summit in London upset the Spaniards, rather than reassured them, by reaffirming the Ten's commitment to accept both Spain and Portugal as members without any mention of a target date or a promise to complete negotiations quickly.

Only M Gaston Thorn, the European Commission President, has mentioned recently the 1984 target date. That was during a visit to Madrid last week which some Spanish officials claim did little to help maintain public enthusiasm for membership.

In an attempt to satisfy the Spaniards, the Belgian presidency is expected to try to push the Community towards agreement on a number of the relatively less controversial aspects of Spanish membership such as regional policy, movement of capital and harmonisation of legislation.

Last-minute objections by the Council of State, the judicial advisory body, prevented Mr Defferre from tabling all of his "special statute" plan for Corsica last month.

The 61-member Corsican assembly is due to be elected under a proportional representation system, for a six-year period. It will appoint a president for three years. Paris will meanwhile keep its two prefects — retained commissioners — on the island.

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# Production of coal falls by 34m tons

WARSAW (Censored)

Polish miners extracted 163m tons of coal in 1981, 12m tons less than originally planned and 34m less than in 1980, the official news agency PAP reported.

It blamed the shortfall on the five-day working week, won by miners during strikes in 1980, and work stoppages. The reduction in output has cut severely into Poland's ability to earn hard currency needed to repay its \$2.7bn gross foreign debt.

The decline in production directly affected the export of coal. Last year's exports amount to a mere 15m tons, that is, 16m tons less than in 1980, which means a loss of hard currency revenue of \$1.1bn, said the agency.

Last year, when the Solidarity union was still active, officials said continuing shortfalls could bring the staggering Polish economy to a halt. Coal exports had been the country's principal source of convertible currency.

The reduction in coal production has also meant a further squeezing of industrial output which fell about 15 per cent last year compared with 1980, according to latest figures.

Senior Western diplomats paint a dismal picture of petty personal rivalries, ineptitude and chaos in America's handling of the Polish crisis which has come to light in the three weeks since the military takeover in Warsaw.

They note that the vast technical resources of the Central Intelligence Agency failed to provide a single clue that a military option was being prepared by General Wojciech Jaruzelski.

"All the sophisticated listening devices which can allegedly pick up telephone conversations in Warsaw came up with nothing," said one well-placed diplomat. "Perhaps the generals discussed their coup in a cafe where they could not be overheard," he offered.

Not only did America's vaunted "spy in the sky" satellites and its powerful ground listening posts on Poland's periphery fail to pick up any sign of the impending military move, America's diplomats too, suspected nothing.

The U.S. Embassy in Warsaw had been reporting to the State Department that the winter in Poland would be a critical time but a military crackdown had been largely ruled out.

Most of the Americans, like other foreign diplomats in Warsaw, did not believe the Polish army leadership would be able to carry out such an enormous task without tearing itself apart.

The American Ambassador to Poland, Mr Frank Meehan, a highly-regarded career diplomat

# Discount rate down in Belgium

By Giles Merritt in Brussels

BELGIUM'S central bank signalled yesterday that speculative pressures on the Belgian franc have eased by reducing the discount rate a full point to 4 per cent. It is one of a number of reductions in the country's record-level interest rates, however. The discount rate still remains a point higher than before December 11, when it was abruptly raised two points from 13 per cent in order to stem a run on the franc caused by rumours of imminent devaluation.

The franc's volatile behaviour inside the European monetary system (EMS) has calmed in recent weeks, reflecting the return to political stability produced by the formation of the centre-right coalition government by Mr Wilfried Martens.

Mr Martens' success in negotiating a Government, that ended more than two months of political vacuum, at first boosted the franc strongly. Political confidence, together with a central bank move to discourage foreign companies from speculating against the currency, briefly moved the Belgian franc in mid-December from being close to its official divergence limit in the EMS to the top of the grid.

That surge, which saw the franc gain 53 per cent in value against the European currency unit indicator of the EMS, has since settled down. Last week, the currency lost ground again

# Dutch hit hardest in EEC by recession

By Giles Merritt in Brussels

THE AVERAGE Dutch citizen suffered more last year from the ravages of recession than any of his neighbours in the European Community.

Luxemburgers were next hardest hit, while the British took third place in a table of provisional European Commission figures charting the decline in incomes and consumption in the EEC during 1981.

Other indicators produced by the Commission also show that the UK's industrial output improved slightly towards the end of last year, and did not show the overall deterioration evident in a number of other EEC

states, most notably the Netherlands.

The pointers in a late 1981 survey by the Commission indicate that Britain, together with France, is headed for a cyclical recovery this year.

The Commission's analysis of household incomes and private consumption in the EEC last year showed, for Britain, a 3 per cent drop in the former and a 0.8 decline in the latter. In the Netherlands, however, in sharp contrast to the 8 per cent increase for 1980 in household incomes, these decreased by 3.6 per cent last year and private income there was almost as hard-hit with a 3.4 per cent drop.

Luxembourg saw household incomes reduced by 3.3 per cent, and only France broke the trend of negative or stagnant incomes in the Community with a 1.9 per cent rise in both incomes and consumption.

In its analysis of economic prospects in the Community, the Commission notes that Britain's four percentage-point recovery in industrial production last November is further evidence pointing to cyclical recovery. The survey added that there was a "modest continuing recovery" in British industrialists' order book expectations, while in France that improvement was even more clearcut.

The most recent EEC industrial production statistics show that, on provisional figures up to the end of last October, Community output had risen 0.5 per cent from October 1980 levels to stand at 118.5 (1975=100). Britain, during that period, pushed its industrial production index from 108.3 to 109.

The Commission said yesterday it had persuaded two steel groups to drop a patent-sharing agreement which it considered conflicted with competition rules. Reuter reports from Brussels. The companies are Mannesmann of West Germany, with its subsidiary Mannesmann-Demag, and Colcoast of Zurich.

# Government aims to cut sickness benefits

BY CHARLES BATCHELOR IN AMSTERDAM

THE DUTCH Government has announced plans to cut the level of sickness benefits in a far-reaching effort to prune the generous social welfare programme.

The decision to cut benefits by Fl 1.4bn (€295m) and to shift a further Fl 1.2bn of payments from the public to the private sector has provoked a storm of protest from unions and employers.

The Government wants to cut the level of sickness benefit from 100 per cent to 80 per cent of an employee's net wage. It hopes to introduce this change

on April 1, but has first to get its proposal through Parliament.

The Social Affairs Ministry, which is responsible for the plan, argues that this would bring sickness benefits into line with unemployment pay, which is also 80 per cent of a person's net earnings.

Since many collective wage agreements already guarantee employees their full salary while they are sick, the Government plans to forbid such clauses in future. It will also make it illegal for employers to re-insure themselves with the industrial sickness funds in order to continue to make sickness payments of more than 80

per cent. Employers would still be able to take out private insurance, however.

The proposals, if accepted, will go further than any previous efforts to reduce the Netherlands' sizeable welfare bill. In previous rounds of spending cuts, Fl 1bn was saved on child benefits and another Fl 1bn on other forms of social security payments.

These latest measures have been proposed by Mr Joop den Uyl, the Labour Party Minister who was largely responsible for the expansion of the social security system during the mid-1970s. The unions criticised the

proposed cuts as discriminating against the sick and a threat to the status of collective wage agreements. The employers complained that an extra burden would be put on the private sector.

One likely result would be a further reduction in absenteeism. High unemployment has already cut the relatively high levels of absenteeism in Dutch industry. The numbers reporting sick fell by 5 per cent last year to 2.5m. The unions said, however, that employees would be likely to stay at work when they become ill and eventually would have to take more time off to recover.

# Foreign aid controls tightened

By Charles Batchelor in Amsterdam

THE NETHERLANDS, one of the most generous development aid donors, is to tighten financial controls following the discovery that some projects have been badly managed. Problems on two small projects in Peru costing a total of Fl 6.4m (€1.3m) have led to a more thorough auditing of the entire Fl 3.61bn (€762m) aid programme, the Development Aid Ministry said.

The Government is already carrying out a wide review of its aid programme following a report released just over a year ago that many projects were poorly planned and inadequately supervised. The results of this review, which is expected to cover several hundred projects, should be released shortly.

The Ministry plans closer links between project leaders and the local Dutch embassy. Accountants will be attached to the larger projects, leaders of which will have to file quarterly progress reports to The Hague.

The problem has arisen because increased sophistication in Dutch accounting controls has not been matched on the projects themselves. Project leaders are also usually technical experts without administrative experience, the Ministry said.

# France moves towards new assembly for Corsica

By David White in Paris

PLANS To set up a special administrative structure on Corsica — an unprecedented move in French Government policy towards the regions — were approved by the Cabinet yesterday and are expected to go to parliament this month.

Providing for the election of a new Corsican assembly within the next six months, the legislation is being pushed through by M Gaston Defferre, the Interior Minister, in a bid to forestall a resurgence of separatist violence on the island.

However, solutions to the questions of how much power will be devolved to the assembly and what resources it will have at its disposal will have to wait until later in the year, when the next stages of the

Mitterrand administration's decentralisation programme come up for debate.

Last-minute objections by the Council of State, the judicial advisory body, prevented Mr Defferre from tabling all of his "special statute" plan for Corsica last month.

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# Turkish editor jailed

By Metin Munir in Ankara

MR NAHIT DURU, editor of the weekly political magazine Arays, was sent to a civilian prison yesterday to serve a three-month sentence.

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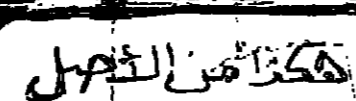
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# Mexicans threatened with petrol rationing to slow consumption

BY WILLIAM KIRKLETT IN MEXICO CITY

MEXICO, the world's fourth largest oil producer, has threatened to ration domestic petrol supplies if consumption does not fall.

President Jose Lopez Portillo said the country was reaching the "absurd" stage where its refineries could not keep up with demand and some petroleum products were being imported. He said Mexico ran the risk of exhausting its oil reserves.

Since the economy "took off" in 1979, thanks to oil wealth, domestic petrol consumption has increased sharply — last year's rise was 15 per cent. The economy has been growing by an average of 8 per cent a year over the same period.

The President's threat comes two weeks after Pemex, the state oil concern, increased the price of its ordinary grade petrol by 115 per cent to just over \$1 (52p) a gallon.

The Government, faced with a drop in revenue from oil exports because of the world oil glut, with massive foreign borrowing to make up the revenue shortfall and with high state expenditure to maintain growth and counter social pressures, had little alternative but to increase domestic petrol prices. But the move was unpopular, as it is bound to boost the already high inflation rate.

The President called the present consumption level "scandalous" but observers consider it unlikely that the Government will go to the extreme of rationing petrol.

Nevertheless the President's remarks underscore his growing alarm at the situation. The price rise was a hard-won battle for the Government, which has to contend with a powerful trade union movement allied to the ruling Institutional Revolutionary Party.

The Government last week announced a wage ceiling for 1982 of almost 34 per cent — 5 per cent in real terms — to compensate workers for the petrol increase. Some unions, however, are pushing for wage rises nearer 40 per cent.

Editorial comment, Page 18



Sr Lopez Portillo: sees situation as "scandalous"

# DC-10 slat controls to be modified

BY PAUL BETTS IN NEW YORK

MCDONNELL DOUGLAS, the U.S. aerospace company which manufactures the DC-10 wide body commercial aircraft, said yesterday it is proposing to make two changes in the mechanisms that control the aircraft's leading edge wing slats as additional safeguards in the event of an engine breakdown.

The proposals will be made to the 45 users of the DC-10

at a meeting at the company's Long Beach, California, headquarters next Thursday. McDonnell Douglas announced earlier this week it was calling a special meeting to discuss modifications in the wing slat mechanisms. The decision to make modifications follows the breakdown of an engine on an Air Florida DC-10 last September which damaged the wing slats as the aircraft was about to take off at Miami.

The proposed changes would ensure that slats remain extended even if the systems that activate them are damaged severely. One of the changes involves installing hydraulic valves to act as locks and keep the slats extended if the hydraulic lines are broken. As a further safety back-up, the company proposes to modify the cable system controlling the main hydraulic valves which control the slats.

McDonnell Douglas said yesterday that the Miami accident was not related to the 1979 Chicago disaster when an American Airlines DC-10 crashed just after take-off with the loss of 273 lives. \* Wing slats are on the front part of a wing and are extended to increase the lift of an aircraft at low speeds. They are crucial in take-off and landing.

# Gadaffi agrees to compensate Exxon

BY OUR NEW YORK CORRESPONDENT

LIBYA HAS agreed to compensate Exxon, the world's largest oil company, for assets abandoned by it last November at a time of growing confrontation between Tripoli and Washington. The announcement came as a surprise, given the bitter Libyan reaction to Exxon's pull-out. The company said that it had agreed to sell its assets to the Libyan National Oil Company for "slightly less than net book value."

The Libyan company did not disclose the sum involved nor reveal what the net book value of the assets is. They included a 49 per cent stake in oil-producing operations which had been running at a rate of up to 200,000 barrels a day, and a similar share in the liquefied natural gas complex at Brega.

Libya condemned Exxon's withdrawal as "tantamount to failure to carry out legal commitments and a breach of contract." The pull-out came in the wake of growing U.S. condemnation of Libya's support for terrorist actions and the first reports of plots by Colonel

Muammar Gaddafi's regime to assassinate President Ronald Reagan.

The U.S. Administration silently approved Exxon's action. But despite its encouragement to American citizens to withdraw from Libya—prior to the order in December that they should do so—the evidence is that the decision was based on commercial rather than political considerations, in particular the high price of Libyan oil.

Libya's agreement to purchase the assets left by Exxon may be accounted for by its wish to reassure other U.S. oil companies still operating in the country—Occidental, Mobil and Continental.

Exxon has said it expects to complete its withdrawal from Libya by the end of this month.

Although other major U.S. oil companies have considered following Exxon's action, they have continued to maintain their presence in the country.

Development budget cuts, Page 4

# Ford reports another disastrous sales year

BY OUR NEW YORK CORRESPONDENT

FORD, the number two U.S. carmaker, had another disastrous year in 1981 with its domestic car sales declining 6.1 per cent from the depressed levels of 1980 to 1.38m cars.

The Ford figures compare to a 7.8 per cent decline in General Motors' sales and an 11 per cent increase in Chrysler's. GM's 1981 sales totalled 3.8m cars while Chrysler's totalled

730,000. The overall sales figures of Detroit's big three last year dropped to 5.91m cars compared to 6.4m in 1980. These are the worst Detroit annual sales figures in 20 years.

But all three manufacturers expect 1982 to show an improvement although this is only likely to occur in the latter half of the year with no immediate prospects of a recovery.

December was a particularly bad month for Ford whose sales declined by 37.7 per cent from 22,036 cars compared to 115,615 cars in December 1980. GM's December sales declined 19.6 per cent while Chrysler, which on balance had a better year than the other two saw its December sales drop 23 per cent.

December was the third consecutive month of sharply declining sales of new cars since the 1982 model year was launched in October.

The general U.S. economic recession and the effects of high interest rates did not spare foreign manufacturers. Volkswagen of America, whose December sales were about equal to those of December 1980, saw its total sales in 1981

# Venezuelan oil row highlights debate over economy

BY KIM FUAD IN CARACAS

PETROLEOS DE VENEZUELA, the state oil monopoly and the largest company in Latin America with sales of \$18.5bn (£9.76bn) in 1980 has become ensnared in a major controversy reflecting the clash in Venezuela between rough-and-tumble politics and long-term economic interests.

The opening shots were fired in mid-December by Dr Leopoldo Diaz Bruzual, the Central Bank president, and a key economic adviser and personal friend of President Luis Herrera Campins.

Dr Diaz Bruzual, in a year-end report on the economy, charged the company with inefficient administration. He argued that growth in the oil industry's personnel and salary levels had far outpaced productivity increases in the six years since the country's main economic sector was taken over by the state.

Sharp rebuttals came from Gen Rafael Alfonso Ravard, Petroleos's president, Dr Humberto Calderon Berti, the Energy Minister, and others. But Dr Diaz Bruzual repeated

his attack two days later. Personal and ideological rivalries have characterised President Herrera Campins's economic team ever since his Christian Democratic Administration took office in 1979.

Thus Dr Diaz Bruzual's comments were seen by some as merely a pretext to attack the Energy Minister, since both men share an ill-concealed animosity. To many observers the Central Bank president's charges were superficial and failed to take into account the complexities involved in managing one of the world's largest and oldest oil industries. The first commercial oil well was sunk in Venezuela in 1914.

Both the Petroleos president and Dr Calderon Berti were quick to point out that Venezuela had inherited an ageing industry requiring massive financial and manpower injections in order to stem decline in existing fields can open up new areas. They noted that the industry's 40,000 workforce produces two-thirds of Government revenues while the bulk of the other 200 state-owned enter-

prises make losses. But the controversy has deepened public pessimism over the Government's ability to stem the deterioration in Venezuela's economic performance. GNP rose 8.4 per cent in 1976, but it fell more than 1 per cent in 1980.

It has also tended to distract from what many government and private sector economists, including Dr Diaz Bruzual, see as light at the end of the tunnel in this protracted decline.

They contend that even the tiny 0.3 per cent GNP growth in 1981, despite more than a 4 per cent fall in petroleum activities, may mean that the five-year deterioration has finally reached bottom.

The prolonged decline reflects the effects of the excessively rapid growth following the 1973-1974 increase in oil prices and a deliberate cooling of the economy by the Herrera Campins Administration after it took office. Growth was sacrificed in its efforts to put the Government's finances in order and combat soaring inflation.

While the Government has reduced the inflation rate from a record 23 per cent in 1980 to around 16 per cent in 1981, the process has had a high political and economic cost. Unemployment has increased to 9 per cent, and many small and medium industries have gone out of business.

With just two years left in his five-year term, and opinion polls showing only a 20 per cent public approval of economic policies, the Herrera Campins Administration has undertaken a major effort to reactivate the economy.

While capital expenditure represents only a quarter of the \$20bn 1982 budget, the Government plans to draw upon reserves and the oil industry to build up Government capital spending to over \$10bn. Such investment is essential if renewed growth is to be achieved in a country where the state controls about 50 per cent of the economy.

Nevertheless, any real improvement in 1982 may hinge on a mixture of oil prices and

party politics, two factors that have determined social and economic welfare for most of Venezuela's modern history. The outlook in both areas is uncertain.

Even before Dr Diaz Bruzual's attack, Venezuelan oil-men were forecasting a difficult year in 1982. Oil prices are expected to grow only marginally, if at all, after the huge jumps between 1979 and 1981 which saw prices rise from an average \$17.69 a barrel to over \$30 a barrel.

There is a growing downward pressure on the price of heavy crude which makes up over a third of the country's 1.5m barrel-a-day exports. This has prompted negotiations with France and other European countries for long-term heavy crude supply contracts. In fact, Dr Calderon Berti admitted in mid-December that Venezuela could be forced to further "adjust" oil prices, a euphemism for reducing prices.

Venezuela expects oil income to total \$19.6bn this year with the Government receiving

\$14bn. Many observers predict that declining oil revenues could force Venezuela to seek further foreign loans despite its present \$19bn foreign debt.

An even darker view of Venezuela's economic outlook is painted by Dr Petro Palma, a prominent private sector economist, who fears party politics may stand in the way of stimulating the economy.

"Assuming the economy remains stagnant in 1981, then 1983 is not likely to see better than 2 per cent growth and 1983 and 1984 are electoral and post-electoral years, respectively, the country faces the prospect of no economic re-activation until 1985," he says.

The tendency to give politics precedence over practical economic considerations plainly has implications for one of Latin America's longest-lived democracies. The decline of the economy, with its pressures on the country's 16m population, which doubled in the past decade, has already sparked social unrest which could intensify in the future

# World Bank directors approve new 1.5% fee

WASHINGTON—The World Bank's directors have voted to add a new 1.5 per cent fee on the arrangement of all new loans.

A bank official said borrowers would be able to add the fee to the total of the loans, thus spreading out the additional cost over many years. The bank's present 0.75 per cent commitment fee would continue to be charged.

The official was unable to estimate how much the new fee would bring in. But in the year ended June 30, the bank made loans totalling \$9.6bn to the poor countries of the world. A 1.5 per cent fee on those loans would have amounted to \$144m.

World Bank loans bear interest well below the current market rate. Current loans are being made with interest at 11.6 per cent a year.

# COAL: INDUSTRY'S SECURITY FOR THE FUTURE.

If you're planning the long term future of your company, you should plan it around a source of energy that's going to be around for some time, like coal. Britain has coal reserves which, based on present mining techniques and present levels of production, will last for at least another three hundred years. And, with the improvements in technology that will undoubtedly come during that time, the reserves will last very much longer.

Does your company have this security for the future?

We are sure we don't have to remind you of the three words you can read in the newspapers almost any day of the week: Middle East crisis. We'll leave it to you to conjure up pictures of soaring oil prices, unreliable supplies and increasing tight stock.

In fact, there is now no concrete argument for not installing coal fired boiler equipment, particularly if your company is planning to be around for some time. Maybe even in 300

years time. And isn't that important? Coal: be prepared to be surprised

There have been some very impressive advances in boiler technology and combustion equipment, as well as methods of coal and ash handling.

The whole operation may be very different from how you imagine. It's extremely efficient. It's now possible to operate in excess of 80% thermal efficiency with modern coal fired plant, which makes coal firing both very economic and competitive.

It can be completely automatic with the modern coal and ash handling equipment now available. This permits coal fired boiler houses to be light, airy and clean.

And it's very up-to-date. Over the years extensive research and development programmes have been carried out. The most recent development is fluidised bed combustion.

This technique provides higher heat release rates, which means boiler sizes, and therefore capital costs, may be reduced.



It also means that a wider range of coal can be burned and, with combustion taking place at a temperature below the melting point of ash, boiler availability is greatly extended.

Companies that can see beyond the next twenty years.

Many far-sighted companies are using coal fired boilers already. Take Graham and Brown, wallpaper printers, for example. Their

new boiler house (which is maintained in absolute pristine condition) has been very much the cornerstone of the company's expansion.

When planning the installation of the new boiler house other fuels were considered, but at the recommendation of their fuel supplier, Graham and Brown, continued with coal. As David

Brown, Director, says "That is the business decision we shall all remember as being of great significance. Just on fuel savings alone we have calculated that in the first 3 years of operating the new boilers we saved £80,000."

This boiler house is truly modern and was purposely designed for coal firing. From fuel reception, no fuel is seen or handled and ash

is transported away to a silo to await collection. With modern pneumatic handling of coal and ash this boiler house is very efficient and very clean.

Let us tell you more

The wide range of coal fired boiler plant and equipment is designed to meet every conceivable need, from power generating requirements to small units in commercial buildings.

In addition there is a nationwide network of coal distributors who are strategically situated to give advice and provide an efficient delivery service to industry.

If you would like one of our fuel engineers to visit and give you free, expert advice, contact the NCB Technical Service.

We will also give you information on the recent government grant scheme which provides up to 25% of the cost of switching from oil to coal-fired boilers.

It's worth contacting us now. So that you can help your company to live later.

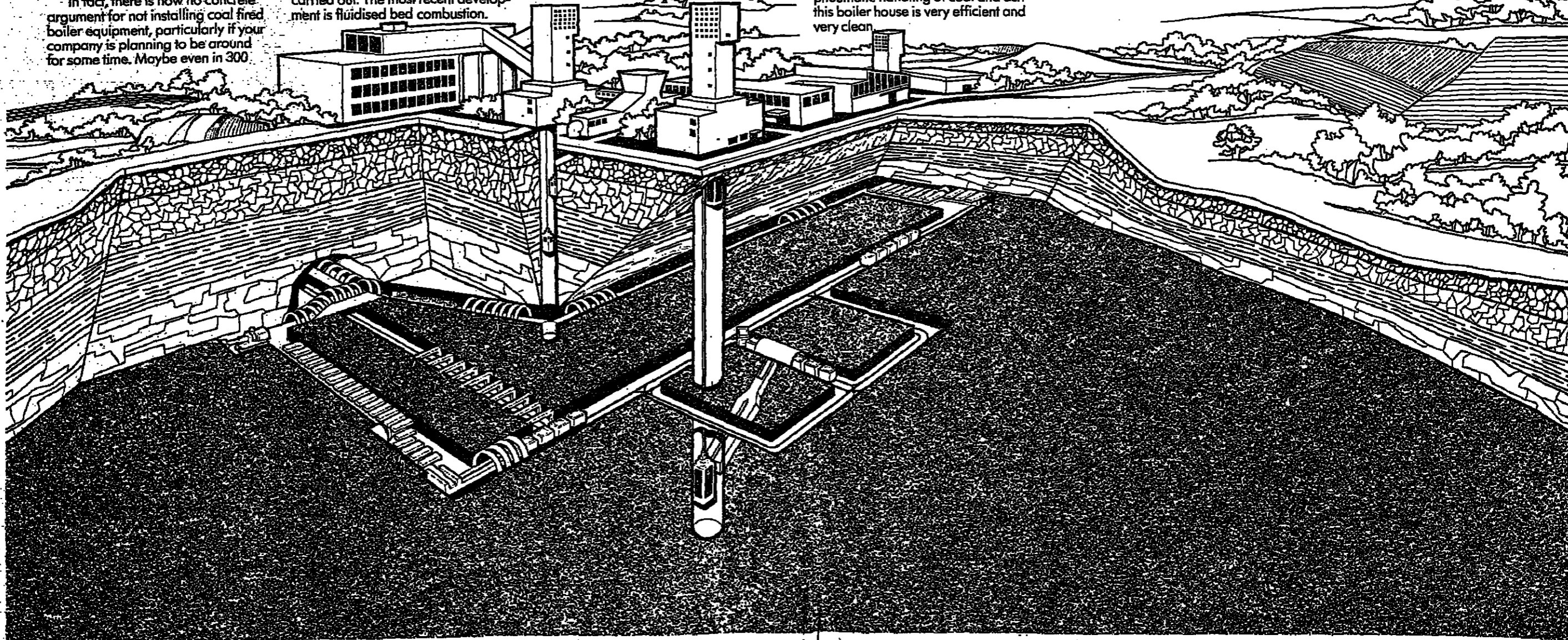
Send To The National Coal Board, Technical Service Branch, Marlborough House, Grosvenor Place, London SW1X 7AE

Name \_\_\_\_\_ Title \_\_\_\_\_ Company \_\_\_\_\_ Address \_\_\_\_\_

I would like some technical leaflets on modern industrial burning equipment. I would like one of your fuel engineers to visit my company. We are considering installing new industrial coal fired plant. Please tell me more about the Government grant scheme. FT7/1/82c



COAL: BRITAIN'S ENERGY INSURANCE





OVERSEAS NEWS

Europe tops U.S. in Krugerrand sales league

By Bernard Simon in Johannesburg

EUROPE REPLACED the U.S. in 1981 as the largest market for Krugerrand gold coins, according to Mr Don Mackay-Coghill, chief executive of the International Gold Corporation, marketing arm of the South African Chamber of Mines.

Intergold disclosed that Krugerrand sales totalled 3,556m ounces last year, 13.1 per cent higher than in 1980, but well down on the record 6,015m ounces sold in 1978. More than 34m ounces of Krugerrands, which are minted in four denominations, have been sold since the coin was launched in 1970.

Mr Mackay-Coghill said U.S. customers accounted for less than 40 per cent of total sales last year, after buying more than half of all Krugerrands in 1980. Sales to Europe rose to about 50 per cent of the total in 1981.

U.S. demand was dented by high interest rates, lower inflation and the weak gold price, while the Polish crisis stimulated sales in Europe. "Whenever there is concern about the Russian threat, people buy coins," Mr Mackay-Coghill said.

British concern at Ghana coup

By Quentin Peel, Africa Editor

THE BRITISH Government yesterday expressed its concern at the developments in Ghana following the military coup, as its leader, Flt Lt Jerry Rawlings, announced that people's tribunals were to be set up to try "those who have committed crimes against the people."

The Foreign Office said that the "composition and intention" of the ruling Provisional National Defence Council remained unclear. "It is our hope that as before, there will be a speedy return to a democratically elected government," the statement said.

The latest broadcast by Radio Accra quoted Flt Lt Rawlings as saying that the people's tribunals would be held in public, but would "not be fettered... by the technical rules which in the past perverted the course of justice and enabled criminals to go free."

Foreign interest sharpens in China's offshore oil

BY TONY WALKER IN PEKING

Border crossing change

CHINA has told the British authorities in Hong Kong that it is going to simplify the border crossing procedures between the two territories at Lo Wu, the main Hong Kong-China border point, Kevin Rafferty writes. Though the Chinese have not stated their reasons for the move, it is intended to strengthen China's free trade zone at Shenzhen, immediately beyond the Lo Wu checkpoint.

When the boundary is decided, China will probably place a high fence round the free trade area. The cost of the fence could be £60m.

For foreigners, procedures for getting into China proper would remain much the same, but access to Shenzhen would be simpler, with either multi-entry visas being awarded or perhaps no visas at all being necessary. Customs formalities would be reduced.

such as bankers, oil company executives are, generally speaking, happy with the draft corporate tax regulations because of their expected compatibility with U.S. law. One executive said it was apparent the Chinese had U.S. oil companies with their responsibilities to the internal revenue service in mind.

On the face of it, according to a U.S. lawyer based in Peking, the draft would appear to be compatible with U.S. law, which sets a corporate tax rate of around 46 per cent. China reportedly considered a special oil tax, but discarded the idea when it was pointed out that such a tax would create difficulties for U.S. companies which have to satisfy strict compatibility requirements under U.S. law.

China's offshore areas, which have been the subject of extensive seismological surveys. The Chinese are now assessing data gathered at great expense by foreign oil companies interested in bidding for exploration rights.

It is on the basis of this data and its own surveys that China's Petroleum Ministry is deciding how to divide up promising areas for competitive bidding. The recent oil symposium in Canton was an indication of quickening interest in China's offshore oil prospects. It attracted more than 400 delegates, many of them oil company representatives.

The symposium, organised by Wah-Chang International Marine of Singapore and the Guangdong Shipbuilding Corporation had the technical aspects of the oil industry such

as rig construction and servicing as its main focus. It also discussed financing, geological prospects in the Pearl River basin, and legal and insurance issues.

Speakers at the conference, notably Mr Michael Sandberg, chairman of the Hong Kong and Shanghai Banking Corporation, took a generally optimistic view of China's oil prospects and the contribution the Chinese could make to relieving energy shortages in the Asian region.

Mr Sandberg told the conference that Asia was now the home of some of the world's fastest growing economies, where demand for energy was growing at a "voracious rate."

China, therefore, has a major role to play over the next two decades by not only increasing production to meet its domestic demands, but also by expanding exports to alleviate a potentially chronic energy shortage," he said.

China's present oil output amounts to about 2m barrels a day, or 100m tons a year, but the Chinese are having difficulty maintaining production at such levels. This is because of faltering output from the Daqing Field, easily China's largest which accounts for about 50 per cent of the country's production.

Mr Zhao Ziyang, China's Prime Minister, admitted at the National People's Congress last month that there was a tremendous waste of oil in China and much greater efforts at conservation would be needed.

"At present, 40m tons of petroleum are burnt as fuel each year, a large proportion of which should not have been so used," he said. "The waste is



Participants in the seismic surveys in China's offshore waters have been told that they will be contacted before the end of this month with further proposals on offshore development, writes Colina MacDougall. Peking is expected to ask for a declaration of interest within the next two weeks, and interested companies will be asked within the month for tenders. A model contract has been prepared.

Industry leaders said bidding cannot start until foreign companies know details such as the share-out of crude and the role of the Chinese Government in planning and decision making. Terms are likely to be strict, since the Chinese have been advised by Statoil, the tough Norwegian Government offshore oil organisation.

enormous. The State Council (China's cabinet) has decided to take the necessary measures in the next 10 years to replace oil consumption by coal consumption, saving petroleum for processing at home or for export, and to use the revenues thus derived for building up energy industry and transport."

involvement in the development of China's oil industry. Mr Zhao said: "In accordance with the principle of mutual benefit, the Government has decided to invite tenders from foreign firms in the near future and, with their co-operation, to step up exploration and open and build new oilfields as soon as possible."

Romanian envoy visits Begin

By David Lennon in Tel Aviv

MR MENAHEM BEGIN, the Israeli Prime Minister, held long talks yesterday with a special envoy from the Romanian President, Mr. Nicolae Ceausescu, amid reports of a possible attempt by Bucharest to mediate in the Middle East dispute.

President Ceausescu played a role in the secret negotiations preceding the late President Anwar Sadat's 1977 peace initiative. Mr. Begin's office emphatically denied yesterday that the special envoy, Mr. Vasile Pungan, Secretary of the Romanian State Council, had made any mediation offer.

Romania is the only East European Communist country which still retains diplomatic relations with Israel, and is sometimes regarded as acting on behalf of the Soviet Union.

But the Prime Minister's spokesman said that there had been no mention of a Soviet role in a new Middle East peace conference or a renewal of ties with Moscow at yesterday's talks.

Mr Pungan delivered a verbal message from President Ceausescu about international and regional issues and bilateral ties. No details were released. Mr. Begin gave the envoy "some documents connected with the situation in the region" to take back to the Romanian President, the spokesman said.

Israel's civil servants held a one-day strike in a demand for higher pay yesterday which paralysed government services. Government offices were closed, hospitals operated on emergency schedules, radio and TV broadcasts stopped, apart from news reports, and trains were halted.

The civil servants are demanding a 420 shekel (£13.88) monthly increase for employees earning less than 5,000 shekels

Korea and Japan to hold aid talks

JAPAN and Korea are expected to hold working level talks on aid "in the near future," the Japanese Foreign Ministry said last night. Charles Smith writes from Tokyo. Japan regards the talks as primarily an opportunity to discuss the aid to be given in the current (1981) fiscal year, but Korea apparently hopes to press its demand for a \$6bn (£3.1bn) five-year aid commitment.

Khartoum demonstration march ends in violence

BY RICK WELLS IN KHARTOUM

POLICE fired shots in the air and tear gas at 5,000 students marching in Khartoum yesterday in protest against the regime of President Jaafar Nimeiri. One student was reported to have been wounded.

The students hurled bricks and stones at the Government party's headquarters and at the American cultural centre before reaching the Cairo branch of the university on the other side of Khartoum. In contrast with Tuesday's march

by students of the Cairo branch, onlookers supported the students with chants calling for a new revolution. Shops were closed and armed soldiers manned petrol stations. The disturbances are seen as a reaction to the stringent economic measures brought in by President Nimeiri under the conditions imposed by the International Monetary Fund.

The demonstrations follow the arrest on Monday of 21 prominent southern Sudanese



President Nimeiri

Our Cairo Correspondent adds: The Egyptian Foreign Minister, Mr Kamal Hasan Ali has made a surprise trip to the Sudan, it was announced.

Libya cuts development budget

By Patrick Cockburn

LIBYA'S development budget will fall marginally in 1982 to LD 2.4bn (\$8bn) from LD 2.7bn last year, the Planning Secretariat has said in Tripoli. The new figure was agreed after detailed studies on oil revenues.

The sectors receiving the largest sums are agriculture (LD 347m) and heavy industry (LD 493m). Libya's oil revenues are now increasing as crude exports increase from a low of 600,000 barrels a day (1/4) last October.

Sri Lankan business leader enters politics

BY KEVIN RAFFERTY IN SINGAPORE

MR UPALI WIJewardene, head of one of the biggest private sector business groups in Sri Lanka, has resigned from a key administrative post in order to enter politics. He has declared his ambitions to be Finance Minister and attacked the Prime Minister, Mr Ranasinghe Premadasa.

Until this week Mr Wijewardene was Director-General of the Greater Colombo Economic Commission, responsible for attracting foreign investment to Sri Lanka's free trade zones and

for trying to promote free enterprise in the country. His Upali Group has wide interests in cocoa, rubber and palm oil as well as industry.

Last year Mr Wijewardene launched an English language newspaper and allowed it to be used to mount attacks on the Prime Minister, Finance Minister and other Ministers.

For all his criticism however, Mr Wijewardene supports President Junius Jaywardene and his programme.

WORLD TRADE NEWS

SIA makes plea on air fares

By Kevin Rafferty in Singapore

SINGAPORE AIRLINES chairman, Mr J. Y. M. Pillay, yesterday appealed for airlines to be able to set their own fares in accordance with market conditions.

He accused the regulatory authorities which set fares of "splitting in the wind and flying in the face of commercial logic."

Mr Pillay said that in other businesses "prices are set by the merchant. Why are airlines not allowed to set prices according to market conditions?"

Under Mr Pillay's direction, Singapore Airlines (SIA) has grown from the small national airline of an island country of 2.4m people to one of the top 15 international carriers. It has so far refused to join the International Air Transport Association, because, Mr Pillay said, originally "it tried to regulate the size of sandwiches and other standards of service."

The airline has faced criticism from many rivals who have accused it of undercutting prices.

Mr Pillay said that SIA had been singled out for discrimination. "We would like to see a clear market with transparency of fares."

Mr Pillay's remarks came hours before the West German air authorities in Bonn met Lufthansa and other airlines flying to Asia to try to end the row over fares discounting between west Germany and Asia. In a row at the end of last year the West German authorities unprecedentedly limited SIA's winter schedules.

Mr Pillay accused the West Germans of using SIA as "a whipping boy." Eventually the argument was settled by SIA promising to clean up the fares market, if all other airlines also abided by the published tariffs.

"We will keep our side of the bargain. The authorities in Germany have now got to get everyone to stay clean."

He added that West Germany had been "putting the squeeze on us for no reason than that we were providing stiff competition for Lufthansa."

SIA also faces claims in the U.S. that it has been indulging in irregular price-cutting. Mr Pillay said: "In America, our fares are certainly not the lowest in the market. We are not interested in selling fares below our costs because that is suicidal."

Boeing ready to roll out narrow-bodied 757

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BOEING, the world's biggest jet airliner builder, is to roll out its latest aircraft, the narrow-bodied, twin-engined 757, next Wednesday at its factory near Seattle.

It will be the second jet rolled out by Boeing in five months. The other was the semi-wide-bodied 767, which emerged last August and is well into its flight test programme.

The 757 is significant for Rolls-Royce, whose RB-211 Dash 535 engine powers the aircraft, and for British Airways, which has ordered 19 aircraft with another 18 on option, in an order worth over \$400m including spares.

Total orders for the 757 to date amount to 136 aircraft, from seven airlines, with another 61 aircraft on option, worth in all about \$7bn at an average price of about \$34m per aircraft.

The first flight of the 757 will be made next month, and after a nine-month test flight programme, the first aircraft will be delivered to Eastern Airlines of the U.S. in December. Eastern has ordered 27, with another 24 on option.

The first deliveries will be made to British Airways in early 1983, and the aircraft will be put on its short-haul routes to the Continent, and on the UK domestic Shuttle routes.

The twin-engine Boeing 757 is a most significant aircraft for the airline industry. Seating about 180 passengers, and capable of flying distances averaging about



The final touches are put to a 757 jet in Seattle.

1,500 miles—it is described as a short- to medium-haul aircraft—it is intended as a replacement for many ageing aircraft types, ranging from One-Elevens, Trident, DC-8s, and Boeing 727s.

The 757 could make inroads into the potential market for the projected smaller 150-seater type airliners.

Operators interested in 150-seaters could fly 757s with fewer seats, especially since Boeing claims the fuel economy of the aircraft is up to 35 per cent better than any of the aircraft it is likely

to replace. In addition to British Airways and Eastern Airlines, two other airlines have ordered the 757 with Rolls-Royce engines—Monarch of the UK, which has ordered three with another on option, and Air Florida, three with three on option.

But Rolls-Royce has considerable competition on engines. Pratt and Whitney, with its PW-2037, has won major orders from American Airlines (15 firm and 15 options), and Delta (60 firm with an undisclosed number

of options). Among potential customers for the aircraft are Pan American, Northwest and other operators.

Boeing is setting its sights on a break-even sales target of at least 300 aircraft over the next five years, but it believes the ultimate market could amount to over 1,000 aircraft through the 1990s. Once the recession ends, it believes there will be a flood of orders.

Boeing needs this kind of market to cover its development costs, estimated at over \$1.5bn for the 757.

Jet leasing 'low priority' in Tokyo scheme

BY RICHARD C. HANSON IN TOKYO

AIRCRAFT LEASING to third parties will be a "very low priority" in the \$500m (£263m) import finance scheme being formulated by the Japanese Government, according to the Ministry of International Trade and Industry (MITI).

The programme is due to begin on January 15 as part of a package of measures approved by the Cabinet in December aimed primarily at reducing Japan's trade surplus with the U.S. and Europe.

Final details still have to be worked out, but MITI says the priority in the programme, which involves dollar lending from the official reserves by the Japanese Export and Import

Bank, will be financing imports of certain commodities and manufactured goods for use in Japan.

Buying of rare metals, non-ferrous metals, electronic medical equipment and perhaps leasing items such as helicopters and light aircraft for Japanese companies are included in the tentative list of goods which will qualify for official financing aid.

The programme could be extended also to include dollar financing by the Exim Bank of aircraft purchases by a domestic airliner.

All Nippon Airways, for example, may be able to take advantage of Japanese Exim

Bank dollar financing if and when it decides to acquire new Boeing 767s, for which U.S. Eximbank export credits might not be available.

A MITI official suggests that the most modest \$500m sum proposed for the programme may be left over.

In any case, a number of discouraging hurdles will have to be overcome before a programme resembling the 1978 emergency aircraft leasing scheme can be made to work.

The first problem is an argument between the Finance Ministry and MITI over whether leasing aircraft to others should qualify as an import to Japan. The Finance Ministry charged

'Frustration' in U.S. over Japan

By Charles Smith in Tokyo

JAPAN'S trade problems with the West will not be solved until Western businessmen believe that they enjoy the same access to Japanese markets as Japanese exporters do in their own countries, Mr Mike Mansfield, U.S. Ambassador to Japan, said yesterday.

He said that he thought there was a "fundamental frustration" in the U.S. over the difficulties of penetrating the Japanese market.

The existence of such feelings posed a "grave risk" to Japan and meant that action to open the market was becoming urgent. Failing such action, the ambassador suggested that the U.S. Congress might take punitive measures.

These could include the imposition of a special tax on Japanese imports or the introduction of minimum U.S. content rules for all imported foreign cars.

Iran proposes Bandar Khomeini talks

By Our Far East Editor in Tokyo

IRAN HAS failed to produce a clear response to Japanese demands that it should shoulder all future costs involved in the completion of the Bandar Khomeini project in southern Iran, the Mitsui group said yesterday.

Instead it has proposed consultations on a formula for restarting work on the project within the terms of the existing contract, under which costs are supposed to be shared equally by the Japanese and Iranian partners.

The proposal was contained in a letter to the president of Iran Chemical Development Corporation from Mr Mostafa Taheri, chairman of the Iran National Petrochemical Company.

ICDC and NPC are the two main shareholders in the Iran-Japan Petrochemical Company (IJPC) which is in charge of the project.

Mitsui—the biggest ICDC shareholder—said that the Iranian letter was unsatisfactory. If Iran failed to give a "clear reply" to Japan on revision of the contract, anything might happen, the company said.

UK hopes India will be first overseas buyer for System X

BY GUY DE JONQUIERES

MR KENNETH BAKER, British Minister for Information Technology at the Industry Department, will seek next week to persuade the Indian Government to become the first overseas customer for System X, Britain's advanced electronic telephone exchange.

System X is being entered in the bidding for the first phase of a project to modernise and expand India's ageing public telecommunications network. The project is expected to require a total investment of more than £100m over several years.

The Indian Government has called for tenders by March. Keen competition is expected from several large telecommunications manufacturers, including L. M. Ericsson of Sweden, Japan's Nippon Electric Corporation, the Belgian subsidiary of International Telephone and Telegraph of the U.S. and at least one French company.

Mr Baker will visit India with Sir George Jefferson, chairman of British Telecom. Sir George is expected to bolster the sales effort by offering Indian officials extensive technical co-operation and support if they decide to buy System X.

India is seeking initially the supply of 200,000 local exchange lines. It wants the most modern type of digital exchanges, which use computers to switch and control voice and data communications.

The British Government has yet to decide how much backing it will give System X. The Industry Department recently commissioned an independent review of System X's export prospects which is expected to serve as a basis for decisions on financing.

British Telecom has invested more than £100m so far in the development of System X. Export marketing is being handled by British Telecommunications Systems, a consortium formed by British Telecom, the General Electric Company (GEC), Plessey and Standard Telephones and Cables.

The Indian project will be System X's first attempt at a major overseas order. GEC, which has extensive business links with the sub-continent, has been appointed prime contractor.

Berlin Consult wins contract worth £21m

BY LESLIE COLTIN IN BERLIN

BERLIN CONSULT, the West Berlin engineering consultant, has won a DM 40m (£21m) contract from East Germany to build a turn-key plant for the production of baking yeast.

The contract was signed with Industrieministerium. The factory, which is to have an annual capacity of 16,000 tons is to be built in Leipzig and is to be completed by next year.

Berlin Consult's partner in the project is Standard Brands International in New York, which is to provide the operating know-how.

The equipment for the baking yeast plant is to be provided by several medium-sized German companies. Since 1969, Berlin Consult has built plants in East Germany worth more than DM 500m and is also heavily engaged in the Soviet and East German markets.



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Howe under fire from two sides at NEDC talks

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT
SIR GEOFFREY HOWE, the Chancellor, came under attack from the TUC at the meeting yesterday of the National Economic Development Council...

Disciplinary committee sees report on Halliday Simpson

By John Moore
THE RULING council of the Stock Exchange has passed a special internal investigation team into the affairs of Halliday Simpson, a Manchester stockbroker firm suspended last July...

Steel price increases hit first-stage users

Alan Pike looks at a problem of manufacturers unprotected by cost and production controls

STEEL-RELATED SECTORS which do not share the main industry's price and production controls are becoming increasingly worried about rises in European steel costs. Steel producers are raising prices by an average 12 1/2 per cent this month...

Sudden postponement of De Lorean share issue

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT
DE LOREAN Motors, the sports car venture backed by nearly \$80m of UK Government money, yesterday postponed at the last moment a share issue to raise \$12m in the U.S. According to lead underwriter, Bache Halsey Stuart Shields, the postponement was caused by "market conditions"...

More aid sought for road repair

FREEZING temperatures and floods are damaging Britain's roads to such an extent that local authorities are to call on the Government for extra money for road maintenance, the Association of County Councils said yesterday. Suffolk County Council has already written to the Transport Department seeking assurances that the council will not be penalised if it overpays on winter road maintenance...

Liberals likely to let Jenkins contest Glasgow seat

BY PETER RIDDELL, POLITICAL EDITOR
MR ROY JENKINS is likely to be given a clear run by the Liberals to fight the Glasgow Hillhead by-election if he decides to put his name forward. The outcome is still uncertain, although he is already assured of the support of local SDP members. Mr Jenkins will not say anything publicly until after the funeral today of Sir Thomas Galbraith, the former Tory member for Hillhead who died last weekend...

Coal-fired water tube boilers may speed switch from oil

BY MAURICE SAMUELSON
A BREAKTHROUGH in methods of making large water tube boilers which run on coal fuel to speed industry's switch back to coal from dearer oil and gas. Recent changes in design and technology have greatly reduced the price at which companies can install the larger water tube boilers, which serve as the main power units in a wide range of process industries. Coal-fired water tube boilers are needed by plants which raise more than 30,000 pounds of steam an hour...

Motoring Which proposes higher MOT test fee

FINANCIAL TIMES REPORTER
THE COST of an MOT test should rise substantially to ensure that the test is done thoroughly, the Consumers' Association Journal Motoring, which suggests today. It says the present cost of £7.10 buys barely half an hour at typical garage labour rates. "We estimate that to do a test and go through all 30 or so points thoroughly takes nearer an hour—so we would think a cost of £10 to £12 a more realistic charge." That was not an unreasonable price to pay for a thorough safety check, the association says. It reports that there has been marked improvement in MOT standards since they were last looked at 10 years ago. The vast majority of tests made the correct "pass" or "fail" decision when six cars were tested 10 times each at a wide range of test centres.

Record £16.5m of heroin seized

A RECORD amount of heroin was seized last year in the UK—\$6.5 kilos worth nearly £16.5m. Experts in the Customs Investigation Division estimate about 80 per cent was intended for use by addicts in Britain. Because of the increase in heroin seizures in 1981—up 127.7 per cent from the previous year—the staff of investigators had been increased. The Indian sub continent emerged as a major source of heroin destined for Britain. More than 50 per cent of the drug seized last year came from there. The biggest seizure of heroin last year was at Dover where 8.55 kilos was found hidden in a vehicle from the Middle East.

Gill payout brings tax change call

By John Moore
MR MICHAEL MEACHER, a Labour MP, has called on the Chancellor to impose heavier tax charges on golden handshakes to former executives. The move came as institutional shareholders of Associated Communications Corporation decided to block the planned record £560,000 cash payment to Mr Jack Gill, Associated's former managing director. Mr Meacher told Sir Geoffrey Howe in a letter this week that executives "like Mr Gill can end up paying an overall average rate of tax on their golden handshakes of as little as less than 20 per cent on sums in excess of £500,000." He urged a "genuinely fair and equitable tax system to cover golden handshakes." He said the Finance Bill should be changed this year "by making the whole of the handshake assessable at the marginal rate applying to the latest annual salary."

Lloyd's will meet critics of legal immunity clause

BY JOHN MOORE
LLOYD'S of London is facing growing opposition to a controversial "immunity" clause in its legislation to protect a new ruling council from damages suits. The clause would prevent all Lloyd's members seeking recovery against Lloyd's in such suits. Lloyd's officials will meet four Conservative MPs who expressed concern over the immunity clause during the earlier passage of the Lloyd's Bill of Parliament for improving the market's self regulation. The MPs are Mr Nicholas Lyell (C, Hemel Hempstead); Viscount Cranborne (C, Dorset South); Mr Richard Needham (C, Chippenham) and the Hon. Archibald Hamilton (C, Epsom and Ewell). Working members of the market are also opposed to the immunity. One underwriting agent has described the new clause as likely to encourage "lesser rather than greater" men to serve on a new council if they are aware that they are protected by legal immunity. Many members of Lloyd's feel they should be allowed to take action in the courts against Lloyd's if a new ruling council takes action against their interests. So far, Lloyd's has substantially tightened up the wording of the controversial clause. But unless Lloyd's is able to persuade its critics to accept the clause, the Bill could meet extensive opposition at the third reading stage in the House of Commons, or face further Parliamentary petitions at later committee readings which might force changes.

Second leg of gas link complete

By Martin Dickson, Energy Correspondent
A major onshore pipeline project, which will bring additional supplies of North Sea gas into the UK network, has passed an important landmark with the completion of a 90-mile section in Northumberland and Durham. British Gas said yesterday that the section between Wooler, Northumberland, and Bishop Auckland, Durham, had been completed on schedule and was ready for operation. This is the second of three stages into which the 283-mile project has been divided. The first stage, a 146-mile section down the east coast of Scotland from Aberdeen, was completed in 1980. The third stage, linking Aberdeen to St. Fergus on the Scottish east coast, will be built this year. Contracts for the second leg were split between Norwest Socon and McAlpine Services and Pipelines.

Energy use falls 1% as supply rises

By Ray Daffer, Energy Editor
ENERGY USE in the UK fell by 1 per cent in the three months September-October-November compared with the same quarter of 1980, according to Government statistics published yesterday. The figures indicate that the pattern of energy use is settling after two years of substantial decline. In the January-November period last year the equivalent of 279.9m tonnes of coal was used—4.7 per cent less than in the corresponding period in 1980. And in 1980, 7.8 per cent less energy was used compared with 1979. Provisional energy statistics, released by the Energy Department, show that in the September-October-November quarter last year the equivalent of 78.1m tonnes of coal was used, compared with 78.9m tonnes of coal equivalent in the same quarter of 1980. In contrast, UK production of energy continued to rise and outstrip demand. In the same September-October-November period last year domestic production of coal, oil, natural gas, hydro-electricity and nuclear power reached the equivalent of 88.6m tonnes of coal—4.6 per cent more than in the same quarter of 1980. Total oil production in the September-October-November quarter was 22.9m tonnes or some 2.9m tonnes or 14.6 per cent more than in the corresponding period last year. It took the cumulative 1981 production up to the end of November to 81.4m tonnes—11.5 per cent more than in the first 11 months of 1980. But the oil products market continues to be depressed. The consumption of refined products like petrol, heating oil and fuel oil was 3.6 per cent lower in the September-October-November period than in the same quarter of 1980.

Texan snuffs flame after rogue oil well blow-out

BY RAY DAFFER, ENERGY EDITOR
TEXAN OILFIELD trouble-shooter, Mr "Boots" Hansen, yesterday snuffed out a 40-foot flame at a rogue oil well in Yorkshire. The flame, which at times had been 100 feet high, had been burning since December 21 following a "blow-out" at Taylor Woodrow Energy's Hatfield Moor site. Mr Hansen temporarily extinguished the blaze by covering the well with part of the steel well-head equipment. The gas which had been feeding the blaze was then ignited at the top of a specially installed pipe, some 20 feet above the well head. Taylor Woodrow, as operator for an onshore exploration con-

Beer production

BEER production 0.4 per cent in November to 3.3m bulk barrels compared with the same month last year was the second lowest figure for November since 1973. Beer production in the 11-months to the end of November was down 5.1 per cent on the previous year at 34.8m bulk barrels.

Company buying

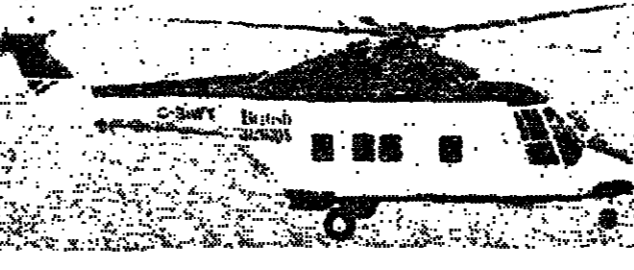
PROSPECTIVE purchasers of companies have regained their confidence since the effects of high interest rates in the middle of last year, according to a survey by Divvero a leading company broker of medium-cost companies. Divvero logged 170 newspaper adverts seeking companies to buy in the final quarter of last year, just short of the peak of 180 in the first quarter of last year.

Citron price rise

CITROEN, THE Peugeot subsidiary, is putting up UK prices by an average 5.8 per cent. Increases include £95 to £280 on the Visa Club, taking it to £4,558; £248 on a GSA Pallas, up to £4,998 and £395 on the diesel Safari, up to £5,811.

Westland hands over first new generation helicopter

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT
THE FIRST of a new generation of UK non-military helicopters, the Westland W-30 (shown here), was handed over to British Airways Helicopters at Gatwick Airport yesterday. Two of these aircraft are to be used by BAH on North Sea oil support operations, based at BAH's Beccles (East Anglia) base, and eventually it is hoped that this operator will buy a substantial fleet of the aircraft. Seating up to 16 passengers, the W-30 is Westland's first civil helicopter venture for some time. The company in recent years has specialised in military helicopters, such as the Lynx multi-role aircraft, and the bigger Sea King anti-



British microlight aircraft may be built in Wales

BY ROBIN REEVES, WELSH CORRESPONDENT
PLANS TO manufacture at all-British "microlight" aircraft at Rhoseu, near Cardiff, are being discussed by British Air Ferries (BAF) and the Welsh Office. BAF, the Southend-based subsidiary of the Keegan Group, has taken over British Airways' Viscount maintenance base at Rhoseu. Mr Mike Keegan, BAF chairman, said Rhoseu would make an "excellent centre for the company's expansion plans, and in particular, for the mass production of its recently announced single- and two-seat microlight aircraft. Work on the prototype of the aircraft, for which the company sees a worldwide market, has started at Southend. More details will be released about the project when the aircraft has flown, but it is understood to be powered by a small motor cycle type of engine and will not require a pilot's licence to fly. In the meantime, BAF plans to develop engine and other major overhaul operations at Rhoseu, as well as continue the bases general maintenance work. Mr Keegan said the facilities were modern and well equipped with a skilled labour force. They only needed "putting together" to make a profitable business.

Victoria coach link with airport

A NON-STOP luxury coach service between Victoria coach station, London, and Heathrow airport will start on January 16. The service will run at half-hour intervals every day and the single fare will be £1.50.



# North America tipped as Rolls cars top market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

NORTH AMERICA will probably become the biggest single market for Rolls-Royce cars this year, Mr George Fenn, chief executive of Rolls-Royce Motors, said yesterday.

"All that stands between us and more sales in North America is more dealers," he said.

The company, a Vickers subsidiary, has 70 dealers there, about the same as in the UK. It wants 10 more in North America and is recruiting.

Rolls sold and produced 3,175 cars last year and 1,197 went to the U.S. and Canada. Mr Fenn forecast that output this year will rise between 5 and 7 per cent to about 3,400. Nearly all the extra cars would be exported, mainly to North America.

In March last year Mr Fenn predicted that Rolls would produce 3,500 cars in 1981 (up from 3,183 in 1980) so the company missed its target considerably.

Rolls's turnover moved up from £140m in 1980 to £130m last year and profits were "reasonably satisfactory," according to Mr Fenn. Profit performance details will be released with Vickers figures. Exports of cars, associated equipment and parts last year brought exports to a record £77m against £64m in 1980. Mr Fenn suggested exports could rise to £85m this year.

Sales of cars in the UK were unlikely this year to rise above 1,220 for 1981. Last year was "very satisfactory in the face of a decline in the sale of new cars generally."

It represented a fall of more than 7 per cent in UK sales against an overall market decline of about 2.5 per cent.

Production in 1981 was scarcely above that for 1980, a year in which the company switched to production of the new Silver Spirit, Silver Spur and Bentley Mulsanne models. These models were not introduced on overseas markets until well into 1981 and sales in the U.S. did not begin until April.

Rolls's capital investment, which reached a total of £45m over the past five years, will slow now the new models have been brought out.

The company's attempt to cut costs last year, included reducing the workforce by nearly 10 per cent from 6,600 to 6,000. Most of the jobs were indirect labour because Rolls needs its shopfloor employees if output is to keep rising.

# Industrial gas prices 'on par with Continent'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE AVERAGE price paid for gas by British industrial and commercial users in 1981 compared favourably with France, Belgium and Italy but was significantly higher than the average in West Germany, according to a survey by National Utility Services, an independent energy consultancy.

The survey estimates that the average price in the UK was 29.50p a therm, compared to 27.10p in West Germany, 34p in France, 34.20p in Belgium and 38.80p in Italy.

It points out that UK industrial and commercial gas prices rose only 3 per cent in the 12 months to September 1 after an outcry over industrial energy prices which led to a Government freeze on industrial gas prices.

Prices rose 89 per cent in Italy in the same period, 88 per cent in Belgium, 50 per cent in France. West German average prices rose only 1 per cent. The report says the UK average price is higher than in other countries surveyed which have their own indigenous supplies — the U.S., where the average is 21.70p a therm, Canada 15.40p and Australia 12.75p.

The UK is the only country surveyed where an extra charge — nearly 2 per cent — is levied on large process users.

But British Gas offers higher discounts than other utilities to large companies with contracts for interruptible supplies — gas which can be cut off at short notice at times of peak national demand. The British Gas discount of 13.5 per cent compares with a maximum of 6 per cent elsewhere.

Norsk Hydro, the Norwegian energy company, is still considering the UK as a possible site for a 500,000-tonnes-a-year ammonia plant, according to the latest issue of the company's magazine. Other contenders are Norway and the Netherlands.

Exports made an important contribution to last year's improvement. In the home market, which accounts for about 60 per cent of the industry's sales, most of the gains appeared to have come from an end to destocking in the chemical industry and by its customers.

The recent improvement in output compares favourably with that on the Continent, even though it has started from a much lower level, the Bulletin says.

Output is expected to grow 3.5 per cent in volume this year compared with 1981, according to the Chemical Industries Association.

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# Chancellor reviews the state of the economy and its prospects

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

SIR GEOFFREY HOWE, the Chancellor, summarised the state of the economy and its prospects in a paper submitted to the meeting of the National Economic Development Council yesterday. The main topic discussed at the meeting was the macro-economy, the first such discussion since economic policy was on the agenda of NEDC's August meeting.

The Chancellor's paper, reviewing the current position, says: "In a number of respects there has been progress this year towards a more soundly-based economy. The rate of inflation and the growth of money national income have both halved in the past 18 months."

Pay settlements in the 1980-81 pay round averaged about 9 per cent — half the level in the 1979-80 round. There have also been some impressive improvements in productivity, particularly in manufacturing, with considerable evidence of a change in attitudes to management and work practices, and a new readiness to behave flexibly and realistically.

"These developments, combined with the fall in the exchange rate in the summer of 1981, have led to some recovery of the competitiveness we lost over the previous five years and have eased the financial pressure on business."

But the paper goes on to say that "much remains to be done." The high rate of unemployment, competitiveness that is still considerably worse than

five years ago, and the low average profitability of companies, are mentioned.

"The general picture is one of the economy adjusting to a lower rate of inflation, and becoming more efficient and competitive, but at a pace that is still frustratingly slow."

Some attention is given to public concern about where growth and jobs are to come from and particularly the fear that overall productivity growth will mean fewer jobs.

But calls for Government-led growth in demand are dismissed by the Chancellor. "The choice faced in Britain is not between Government-generated expansion and stagnation. It is rather a choice between Government-generated inflation (and rising import penetration) and industry-generated recovery in a climate of improving price stability."

Pay and productivity are identified as two of the key sectors where progress in understanding and expectation needs to be exercised. "Greater productivity will not lead to increased output and employment if the gain is simply swallowed by increased earnings," the Chancellor warns.

The Chancellor's paper invited the council to discuss ways in which industrial efficiency and the health of industry could be improved.

Possible changes suggested include: "The need to remove obstacles to the mobility of labour, the need for better training and retraining, the need for better shopfloor communications between management and workforce and greater flexibility in wage settlements so that wage levels more accurately reflect the demand and supply for different groups of workers."

# Building sector needs more aid, says Government

BY MICHAEL CASSELL

ALTHOUGH THE Government had made strenuous efforts to protect the construction industry from the worst effects of the recession and the cuts in public expenditure, it accepted that more needed to be done, yesterday's NEDC meeting was told in a paper from the Environment Department.

Mr John Stanley, Minister for Housing, said the Government had introduced a wide range of measures in the past two and a half years designed to help overcome the industry's difficulties. But the industry itself had the opportunity to create more work and to improve its competitive position.

He referred to the Government's eight point plan which was put before the building and civil engineering EDCs

last year, and which set out ways in which the construction sector could improve its performance.

The proposals centred on the need to speed up development, to ensure adequate land supplies, to prevent skill shortages and to improve the industry's international competitiveness.

Progress had already been made on most of these fronts but there was a need to consider further action on matters such as planning, where further steps might be necessary to make the planning system more responsive to development. There was also continuing concern over the amount of unused or underused land available.

Mr Stanley pointed out that the commercial property sector had experienced

dynamic growth. In particular the age and condition of many industrial buildings promised enormous scope for development work once the recession ended.

The Chancellor was considering industry proposals for amending the tax system as it affected buildings, for example the extension of higher depreciation allowances given to industrial property to buildings used in the service sector.

The Government was encouraging the injection of private sector capital into construction and looking at the possibility of attracting private money to help develop major Government building projects.

Mr Stanley applauded the efforts of UK construction industries and professions in

overseas markets. He pointed out that last year British contractors earned £250m overseas. Process plant specialists earned another £300m.

At the same time UK consultants brought in £500m and exported more than £2bn worth of UK materials, plant and machinery. The combined effort had made a major contribution to the nation's balance of payments but it was clear that an intense effort would be needed to maintain this position in highly competitive export markets.

But the construction industry stood to benefit more than any other sector from the establishment of a soundly managed economy which controlled inflation and laid the foundations for genuine economic growth.

# 'Ulster near precipice' says Powell

BY IAN HAMILTON FAZEY

ULSTER WAS at the edge of a precipice — the renunciation or destruction of the union by its Protestant majority, Mrnoch Powell, MP for South Down, told fellow Unionists at Helens Bay, Co. Down.

He said they were the only people who could bring about such a split. "Today those who see that consummation are waiting with bated breath and heightened hopes... for the Protestant majority of the people of Northern Ireland to do their fell work for them."

"I would be false to you if I pretended that there is no foundation for their hopes."

Mr Powell said it would be difficult to refute any claim that there was now a majority in Ulster against the union — that the basis of the guarantee that Northern Ireland would remain in the UK while the majority wanted it to do so had already been removed — and that Ulster had itself renounced its birth-right.

"Without quibbling over decimal percentage points, about half the electors who in 1981 voted for nominally 'unionist' candidates voted for a party of which every attitude and action constitutes a repudiation of the union."

"Through the mouth of its leader that party had declared that no allegiance or obedience was owed to Parliament, which is the bond and essence of the union." It had also announced its intention to make Ulster "ungovernable" by Government Ministers.

"The fact now stares us in the face that the party to which almost half the Protestant voters of Ulster have given their support is against the union. It might not perhaps matter all that much if the voice they chose is the voice of a noisy showman. It matters very much if that voice is a voice which is raised against the union."

Exports made an important contribution to last year's improvement. In the home market, which accounts for about 60 per cent of the industry's sales, most of the gains appeared to have come from an end to destocking in the chemical industry and by its customers.

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# Merseyside launches 'buy local' campaign

BY IAN HAMILTON FAZEY

A MAJOR "buy local" initiative to help small companies break through buying barriers in larger companies and public corporations will take place next month on Merseyside. If successful, it could point the way to similar ventures in other industrial centres.

The project will encourage large buyers of components, goods and services to support small companies by buying locally where possible. Investigations by county council staff and the Merseyside Chamber of Commerce has suggested considerable scope for more local

buying throughout industry. Merseyside County is sponsoring a special exhibition from February 9-11 at which small companies will be able to put their products and services on show to buyers from larger concerns.

Merseyside Chamber of Commerce is surveying big company buying systems to find out how best to encourage local buying.

Mr Tom Brooke, the chamber's business advisory officer, said yesterday he would like to see chief executives adopting quotas and other policies of

positive discrimination to favour local buying provided local manufacturers were reasonably competitive on price, quality and delivery.

Habit and inertia are thought to be major factors influencing large companies to stick to established suppliers.

Mr Harold Stanton, who buys £4m worth of goods and materials for A.P. Hydraulics a year, said his company's Leamington origins had resulted in it buying many components for its Merseyside plant from Midlands suppliers.

# Wives of disabled 'hit'

BY LISA WOOD

THE FINANCIAL plight of disabled married women, and married women who give up jobs to care for disabled relatives, is highlighted in a report published yesterday by the Equal Opportunities Commission.

Many women in this substantial section of the population are ineligible for the specific social security benefits closely related to the care of the disabled. Baroness Lockwood, chairman of the EOC, described the workings of the allowances as "obvious discrimination..."

based on the outdated assumption that women will be provided for by their husbands.

Invalid Care Allowance (ICA), for example, is paid to all men and single women who say at home to look after a disabled person in receipt of an attendance allowance. But married and co-habiting women are barred from claiming the allowance.

Baroness Lockwood said the Government had said the cost of extending ICA to married women was too high — an estimated £100m gross.

# Grant cut threat to Salford University student intake

BY NICK GARNETT, NORTHERN CORRESPONDENT

SALFORD UNIVERSITY said yesterday that the cuts imposed on it by the University Grants Committee, including a 40 per cent drop in its grant up to 1983-84, will mean a drop in student intake of almost a third up to 1984-85.

In a letter to the committee Prof John Ashworth, Salford's vice-chancellor, warned of a serious threat to industrial-based sandwich courses. He stressed that the speed with

which the university had devised a plan to cope with the cuts should not be seen as acquiescence.

Despite a conscious attempt to protect sandwich courses, the University has been forced to set a limit of 1,200 sandwich course students on four year teaching programmes by 1984-85, a fall of 20 per cent.

Prof Ashworth warns that because several departments

could lose up to 40 per cent of academic staff by the middle of next year, some sandwich courses might have to be abandoned altogether.

Those most at risk are mechanical engineering, engineering metallurgy and manufacturing engineering plus applied physics and biological sciences, chemistry and business studies. This could mean a total fall of sandwich course students of 38 per cent.

Engineering courses overall have been given greater protection than some other subjects, at the expense of social sciences, arts and pure science.

The plan envisages a fall in the number of engineering students from 2,100 to 1,550 between 1979-80 and 1984-85. The number of science students should drop from 1,300 to 900 and social science and arts students from 1,200 to 830.

# Warning of teaching cuts

BY PETER RIDDELL, POLITICAL EDITOR

COMPULSORY redundancies among teachers too young for early retirement terms will be necessary if the school curriculum is to be protected and taught by suitably skilled and effective teachers, Sir Keith Joseph, the Education Secretary, warned yesterday.

Sir Keith was speaking to the North of England education conference in Leeds. He said the authorities would be failing in their duty "to the children and their parents on the one

hand, and to the tax payers and ratepayers and all who work or seek work in the trading base (the economy) on the other, if we keep ineffective teachers in the schools or employ more teachers than we can afford."

Sir Keith's theme was the importance of having good effective teachers with the right mix of qualifications and experience, and the need to improve the school curriculum so the talents and potential of less academic pupils can be developed.

# Optimism on Boat Show horizon as exhibitors wait for tide to turn

THE THEME Boating is Fun for the London International Boat Show which opens today at Earls Court is strangely at odds with the view of those companies in the boating industry which have survived the recession.

Boating will be hard work for them in 1982 after a 44 per cent drop in business last year. Exports are down 38 per cent from the previous year — partly because of unfavourable currency relationships — and home sales have suffered falls of about 50 per cent.

Boat sales have fared worst. Some companies recall months in 1981 without a single order.

The component and equipment companies fared better. Some companies with new and novel products, particularly electronics equipment, have actually increased business.

A few British companies which enjoyed an international reputation for their boats are missing from Earls Court, casualties of the business climate. Westerly Marine Construction is in the hands of a receiver after being the biggest builder of cruising yachts in Britain for many years. Seamaster, a builder of motor yachts, and Honor Marine, builder of the Dracombone Lagger, have both closed.

The volume of business on the Earls Court stands in the next 11 days is likely to make or break some among the 464 exhibitors who are relying on the show to fill up empty order books.

But a number of the most soundly-based boat building and equipment companies believe the tide has turned in their



Mr Gwyn Jones (left) shows the Walker Satellite Navigator 4 02; Mr Paul Hadley at the wheel of the £275,000 Hattaras 48 motor yacht.

world leisure markets recover. Foreign producers are also trying to open up export business. There is still a waiting list for stand space at the London Boat Show. This year the biggest increase in demand for space has come from importers and agents for foreign boats, engines and equipment. Boat Showrooms of London with a big range of United States and European-built yachts is importing a 56-ft luxury motor

cruiser, the Hattaras from the U.S., with a price tag of £275,000 plus VAT.

United States-built motor yachts are invading the European markets. They are comparatively priced because current United States energy pricing policies mean oil based resin used in glass reinforced plastic hulls is one-third cheaper than in Europe.

European producers are fighting back however, and will be

strongly represented at Earls Court which is generally regarded by the boating companies as the centre-piece of the European industry.

Many European builders have held their prices now for more than a year. The rising costs of labour and overheads have been at least partly offset by falls of up to 30 per cent in the cost of resin as oil refinery product prices have eased.

One of Britain's oldest

marine equipment companies, Walker Marine Instruments of Birmingham, which made patent ships' logs in Nelson's day, is this year showing the world's smallest space satellite navigator. It can be fitted to family yachts for under £1,000. Two years ago Walkers gained a world lead with their original low-priced satellite navigator.

BL has also thought it worthwhile to become more active in the marine market.

Leyland Vehicles is producing a new range of four and six cylinder marine diesel engines. There will be six models between 85 hp and 200 hp and they will be marketed as complete marine packages.

Motor vehicle manufacturers are becoming increasingly interested in the boating market as a further outlet for engines. The Volkswagen Golf diesel engine is being sold in a marine form. BMW has its own marine engine plant, and Renault engines are being sold in marine form.

Lloyd's Register of Shipping is unveiling at the show a new computer service which, it is said, can save yacht designers and builders much work in the calculation of hull structures. Builders will be supplied with information of structural sizes and strengths needed to comply with Lloyd's "rule" requirements for any yacht design.

The fun side of the show this year will centre around the pool. Wind machines have been installed so that sailboard demonstrations and dinghy racing can be staged, and the froth blown off the Guinness at the brewer's stand.

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# Consumer lobby 'still has a role'

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE CONSUMER movement in Britain is not a spent force, according to Mr Gordon Borrie, Director-General of Fair Trading.

Mr Borrie said in the Peter Le Neve Foster memorial lecture at the Royal Society of Arts last night: "If it seems sometimes that the consumer movement is a spent force, it may be because it is no longer a novelty to advance the consumer cause."

He pointed out the effectiveness of consumer pressures in the UK in achieving significant advances in the last three decades in legislation to protect consumers.

"I do not think there can be any doubt. The consumer movement is not a spent force. It was alive and well. More mature no doubt and therefore more conscious of its own weaknesses." But it also had greater experience and knowledge and was realistic about its objectives.

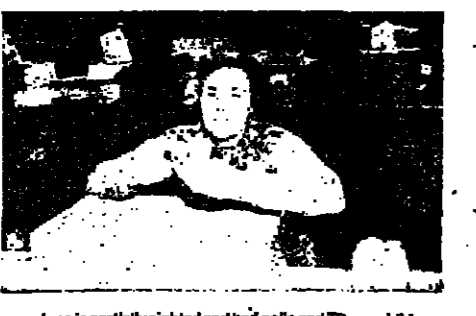
Mr Borrie pointed out that while much has been achieved, "much is left to be done and in many ways the work of the consumer movement, like that of the housewife, is never done."

"Until the halcyon day arrives when you can rely without prompting on getting the treatment, the product and the service you are entitled to expect for your money, the movement will continue to have a role and manufacturers and suppliers of all kinds will disregard its continuing presence at their peril."

The OFT will publish a discussion document later this month on means of tightening up on rogue traders in the home improvements field. A code of practice for the double-glazing industry was published last year.

## A Vision for the Blind

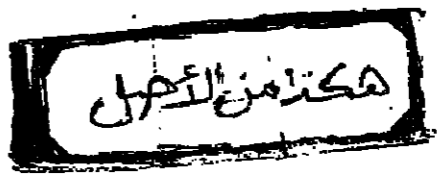
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**Royal School for the Blind**  
President: His Grace the Archbishop of Canterbury  
Registered Charity No: 255913





# Train drivers warned of 'major crisis' facing BR

By Philip Bassett, Labour Staff

BRITISH RAIL warned its train drivers yesterday that the industry was facing a "major crisis" over the pay and productivity dispute with the drivers' union, the Associated Society of Locomotive Engineers and Firemen.

inevitably the loss of major investment in our industry so desperately needs."

so far this week since the action began on Monday.

# Electricity supply shop stewards seek ballot

By Philip Bassett, Labour Staff

POWER WORKERS' shop stewards are pressing that any pay offer to the 90,000 electricity supply manual workers, whose annual pay negotiations open today, should be put out to ballot.

# Philip Bassett looks at how workers select their leaders

## Spotlight on union poll systems

IN THE HEAT surrounding Mr Arthur Scargill's elevation to the presidency of the National Union of Mine-workers, one of the election's most important points has gone virtually unnoticed.

Yet when he was elected to replace the left-wing Mr Hugh (now Lord) Scanlon, Mr Duffy polled just under 19 per cent of the votes available.

Some evidence has suggested attendance may be less than 10 per cent.

It would have done little, however, to the result of the 1974 ballot for the National Union of Seamen leadership.

# Opencast miners seek new deal

By John Lloyd, Labour Correspondent

LEADERS OF the country's 7,000 opencast coal workers have called for an urgent meeting with employers to press for improved pay and conditions within the lifetime of the present agreement, which ends in June.

their claim. They believe that independent negotiations between the union and the Opencast Coal Contractors would improve their rates.

Skilled workers in the industry receive £86.19p, including a guaranteed bonus, for a 39 hour week.

# Parity rise call in Civil Service pay

By Our Labour Staff

COMPARABILITY WITH outside pay increases since the 1980 Civil Service pay settlement would mean rises for Civil Servants this year of 20-30 per cent, according to evidence presented to the Treasury by the Council of Civil Service Unions.

Two examples of union leadership being more militant than their members are the recent call for an official 3L pay strike, which collapsed after two days, following company threats of closure, and of pay strikes by oil tanker drivers, which disintegrated in an embarrassing manner for their union, the Transport and General Workers.

Participation in union elections is low even in the AUEW, which uses postal balloting, turnouts average less than 30 per cent.

Postal ballots help turnouts. When the AUEW operated branch balloting, the then Mr Hugh Scanlon was elected president on just over 6 per cent of the electorate.

Opponents of union elections say the appointment of officers has helped the emergence of often extremely able professional officials.

# Row over honours for 'strike-breakers'

By Our Labour Staff

PROTESTS ARE growing in the Civil Service unions over honours awarded in the New Year List to senior civil servants who were particularly active in trying to limit the effects of the unions' strikes during the 21-week pay dispute last year.

unlike candidates for honours - have been excluded.

The Shipley branch committee of the Inland Revenue Staff Federation decided yesterday to write to the Board of Inland Revenue, rejecting the Shipley management's suggestion that the award to Mr Morley was in recognition of his 40 years' service.

# Work-in' to fight closure of smelter

By Brian Groom, Labour Staff

A MASS MEETING of workers at British Aluminium's smelter at Invergordon in the Scottish Highlands voted yesterday to begin a 'work-in' at the plant, which is being closed with the loss of 890 jobs.



# There's more than one lady with influence in British industry

In fact, there's an army of them, just like Alison Hodgson. Though Alison's name is unlikely to come up at a CBI meeting, she is as concerned as the lady on the right in keeping British industry running efficiently and cost-effectively.

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# PUBLIC NOTICES

Competition Act 1980 Anti-competitive Practice investigation Sheffield Newspapers Limited Competition reference under section 4

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Annan Impey Morrish,  
Management Consultants,  
4043 Chancery Lane,  
London WC2A 1JJ.



## DEALERS

Cambridge Appointments has been retained by several major institutions to recruit Dealers of varying disciplines. Below is a small selection of our current vacancies and should you have a requirement, please call us on the number below:

SENIOR FX DEALER	SURROGATE DEALERS
Salary negotiable	Salary £15,000 (minimum)
EUROBOND SALESPERSON	FX DEALERS
Salary open	Salary £18,000
DEPOSIT DEALERS	TRAINING FX DEALER
Salary £15,000	Salary negotiable

CAMBRIDGE APPOINTMENTS - 01-623 0101

## FINANCIAL CONTROLLER WEST MIDLANDS

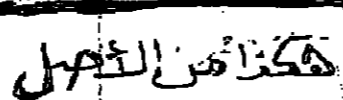
As a major supplier of industrial rubber products, protective clothing and building materials to industry, CMT Industrial Supplies (UK) Ltd. wishes to appoint a Financial Controller to take responsibility for its accounting and finance function.

Reporting to the Financial Director, the Financial Controller will be responsible for the provision of accurate management information in accordance with a strict timetable and further development of the service provided to the company by the Financial Services Division. The position is based near Dudley and the person appointed will be expected to travel to the company's depots throughout the UK.

Aged 30-45, the ideal candidate will be an experienced chartered accountant and a thoroughly professional manager with a background in industry—preferably industrial sales and distribution. A five-figure basic salary is negotiable and a quality car provided along with other benefits including relocation expenses. Proven ability would result in early promotion to Financial Director.

This is an exciting opportunity to join a fast-expanding and progressive company where future prospects are exceptional. If you are a positive and enthusiastic leader, capable of real achievement, write now with full details of your career to date to:

THE FINANCIAL DIRECTOR  
CMT INDUSTRIAL SUPPLIES (UK) LTD.  
Halesowen Road  
Dudley  
West Midlands  
DY2 9NR



## Executive Appointments

The specialist service for senior executives seeking new appointments. Our success-related fee structure is unique. Contact us for a confidential meeting.

Comnaught

73 Grosvenor Street, LONDON W1 - 01-423 8504

## Young Qualified Accountant City - c. £10,500

We are looking for a Financial Analysis Manager who will be responsible to the Group Finance Manager for the continuing review and monitoring of the profitability of the Group and for preparing financial reports on specific areas.

The successful applicant is likely to be a young graduate, qualified accountant with the ability to communicate at all levels, and with the energy and enthusiasm to contribute to the Company's profitability.

Please write to: Gwyn Davies, Group Personnel Manager, Save & Prosper Group Ltd., 4 Great St Helens, London EC2.



## MERRILL LYNCH

is recruiting experienced

## EUROBOND SETTLEMENTS CLERKS

—Minimum one year's experience. Salary negotiable plus benefits. Please write with brief career details (and contact telephone number if possible) to: Merrill Lynch Holdings Limited, Personnel Department, 3 Newgate Street, London, EC1. (No agencies.)



## FINANCE DIRECTOR CONTROLLER

Small and tightly knit team (4/5 key executives) of international investment company seeks hard-headed entrepreneurial and experienced finance person to head all controls and supervise financial aspects of current and future projects in UK and overseas. West End offices. January/February start. Terms by arrangement.

Write fully with CV and relevant aspects stating current and anticipated salary to Box A7704  
Financial Times, 10 Cannon Street, EC4A 4BY

## ASSISTANT TO FINANCE DIRECTOR MERCHANT BANK

c. £12,000 + Benefits

This is a newly-created position within a respected and forward-looking city-based merchant bank. The Finance Director seeks a Young Qualified Accountant, preferably though not essentially a graduate, to take responsibility for a wide range of corporate accounting duties whilst making a positive contribution to the ongoing expansion and development of the group's activities. Particular skills and personal qualities include:-

- Staff Supervision Ability
- E.D.P. Exposure
- Corporate Accounting Experience
- Commercial Awareness
- Excellent Communicator

This group offer a competitive salary and benefits package. They envisage progression not only within finance and accounting but encompassing their wider activities.

Interested applicants should contact Roger Tittle on 01-242 0965 or write to him at 18/19 Sandland Street, London WC1R 4PZ.



Michael Page Partnership  
Recruitment Consultants  
London Birmingham Manchester

## Corporate Finance Executive

£15/20,000+Bonus

One of the most prestigious major stockbrokers seeks a Corporate Finance Executive, experienced in merchant banking and preferably stockbroking, aged 30-40, to join the present team of five. Early partnership envisaged. This is a rare and major opportunity.

## Outstanding Analyst

(Electrical/Pharmaceutical/Chemicals)

Leading internationally orientated stockbrokers seeks an Analyst of proven ability to specialise in Japanese Equities. This is an unusual opening for a successful Analyst to expand his/her interests in one of the most fashionable and fastest growing overseas areas. c. £15,000+Bonus.

## Japanese Sector

Experienced Analyst to work in private client area of major broker. Unusual opportunity with considerable potential.

## Salesmen

£12/16,000+Bonus

We seek three Equity Salespeople for one of the fastest growing and largest stockbrokers to join their widely acknowledged research backed sales teams in the Insurance, Tobacco and Breweries sectors.

## Gilt

£ Neg.

A partner or very senior Gilt Salesperson, short or long dated, to join a substantial research based stockbroker.

## Investment Trust Leader

Experienced Salesperson/Analyst to lead team of three specialising in Investment Trusts. This is a key appointment with appropriate financial remuneration, including bonus.

Please write or telephone, in confidence, to Digby Dodd at Overton Shirley and Barry, (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Telephone: 01-353 1884/1169.

These are equal opportunity vacancies.

Overton Shirley and Barry OSB

## Sales Consultant FINANCIAL SERVICES

c£10,000 + Car, City based

Moody's Investors Service, the leading U.S. Bond Rating and International Financial Information provider, is expanding its London-based sales team.

The Moody's Sales Consultant will liaise at Senior Executive level within the Financial and Commercial Community—principally Investment Managers, Security Dealers, Stockbrokers and research organisations. He/she should have a working knowledge of the investment market place and preferably have some previous sales experience. Knowledge of a European language would be useful but is not essential. The availability to travel to Financial Centres throughout the U.K., and possibly Europe, is essential.

Moody's Investors Service is a company of The Dun & Bradstreet Corporation and its European Sales Office based in London is part of the Financial Information Services Division of Dun & Bradstreet Limited. In keeping with a major organisation an attractive compensation package, including a Company Car, is offered.

In the first instance applicants should send a comprehensive c.v. to:

Mr. P. H. Steer, Personnel Manager,  
Dun & Bradstreet Ltd.,  
26/32 Clifton Street, London, EC2P 2LY.

## Moody's Investors Service

a company of The Dun & Bradstreet Corporation

## SENIOR ECONOMIST

MONTAGU, LOEBL, STANLEY & CO.

Stockbrokers Montagu, Loebel, Stanley & Co. require an experienced economist to work with an existing team on macro-economic studies. The work will involve analysis and forecasting of the U.K. economy, major currencies and overseas interest rates. The successful candidate will be expected to assume early control of the Firm's research and development of at least one of the Firm's research documents and be able to liaise with clients on economic matters. We anticipate that he/she will be in their late twenties with previous experience of this kind of work. Remuneration by negotiation, subject to age and relevant experience.

Please reply in confidence, enclosing full curriculum vitae, to:

Michael Birks  
MONTAGU, LOEBL, STANLEY & CO.  
31, Sun Street, London EC2M 2QP



## DIRECTOR OF FINANCE AND ADMINISTRATION

Midlands based.

ROSPA, the National Safety Organisation, invites applications from suitably qualified executives for this senior position upon the retirement of the present director in March 1982.

The Society, a registered company and charity, is concerned with the prevention of accidents at work, on the road, at home and at leisure. The staff at its head and regional offices totals 180 and its turnover is currently about £2.75m per annum, income being largely derived from commercial operations. The Society works closely with a wide range of organisations, including companies, central and local government and private individuals who as members support its activities by subscriptions, purchase of publicity materials and other services, and by serving on its policy-forming committees. Membership services include the publication and distribution of periodicals and training courses run by highly qualified staff.

The appointee will be responsible to the Director General for all financial and administrative aspects of the Society's work, including direct management of specific departmental activities and he/she will be required to provide positive management control over and direction to the Society's financial and commercial activities. The Director of Finance and Administration is also Secretary to the Society and deputises for the Director General in his absence.

The post calls for proven experience at senior executive level and candidates should possess an accountancy or secretarial qualification.

A commensurate salary commensurate with the importance of the post is negotiable. Terms and conditions of service include 30 days annual plus statutory holidays and a contributory pension scheme with free life cover. Relocation assistance is available if necessary.

Applications, in strict confidence, giving details of career to date, including age, present employment and salary level, should be addressed to:-

The Director General,  
The Royal Society for the Prevention of Accidents,  
Cannon House, The Priory Queensway,  
Birmingham B4 6BS,  
within 14 days of publication.



ROSPA  
The largest and most comprehensive safety organisation in Europe

## Lending Officers

Bank of America is seeking Lending Officers to join its Nordic Regional Office, based in London. Responsibilities will include developing new business with corporate clients in Norway, Sweden, Finland and Iceland, as well as maintaining existing account relationships.

Candidates, aged 25-30, should have at least three years' experience in banking or in the finance department of a major Scandinavian company, and must demonstrate the personal qualities required to deal effectively with clients at senior management level. Fluency in at least one Scandinavian language and English is essential.

Prospects for further career development are excellent and competitive salaries will be augmented by an attractive package of fringe benefits.

Write, with full personal, career and salary details, to A. J. Tucker, Recruitment Officer, Bank of America NT & SA, 25, Cannon Street, London EC4P 4HN.



## CORPORATE ACCOUNTANT

Central London

£14,000-£16,000 + Car

We have been retained to recruit a senior accountant to be based at the centre of a major group which has a diverse range of interests in the food, leisure and entertainment sectors. Our client has recently acquired substantial additional interests in North America and is continuing the process of developing activities in the U.K. and overseas.

In view of these changes, the group now has need of someone to assist the Controller in a wide range of financial and management matters. In particular, the successful candidate will take responsibility for developing and upgrading the computerised accounting systems to improve the flow of financial and management information available at the centre. However, his/her role will also cover a variety of other accounting functions including related ad hoc projects.

Ideally applicants should be qualified accountants, with good experience of computer auditing and/or working with computerised accounting systems. A knowledge of U.S. reporting requirements would be an advantage. Of particular importance is the need for an outgoing personality and the potential for general progression within the group.

For further details please telephone Richard Norman, F.C.A., or Paul Corvoso, A.C.A., on 01-836 9501 or write enclosing a curriculum vitae, to our London office quoting reference 3509.

410 Strand FREEPOST London WC2R 0BR.  
Tel: 01-836 9501  
26 West Nile Street FREEPOST Glasgow G1 2BR.  
Tel: 041-226 3101.  
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744.

DOUGLAS  
LLAMBIAS  
Douglas Llammbias Associates Limited  
Accountancy & Management  
Recruitment Consultants



## Young Qualified Accountant for Marks & Spencer

We require a qualified Accountant in his/her mid twenties for a line management position in our Accounts Department at Head Office in Baker Street.

Accounting experience in commerce or industry would be an advantage and knowledge of computerised accounting is desirable.

There are excellent opportunities for the development of a career within the finance areas of the company.

The salary is negotiable, according to age and experience but will be in the region of £11,000 p.a., and there are many excellent staff benefits including; a non-contributory pension scheme, life assurance cover, 4 weeks holiday after one year's service and profit sharing after a qualifying period.

Please write for further details to:-  
Mrs. S.E.A. Young,  
Marks & Spencer, Michael House,  
Baker Street, London W1A 1DN.

St Michael

## Senior Auditor CONTROL A EUROPEAN AUDIT TEAM

S.W. London

c.£12,000 + Car

Reporting to the Director of Audits, you will travel extensively in the UK and Europe visiting such countries as France, Germany, Austria and Scandinavia. A recent restructuring of the Audit Department offers you the opportunity to really develop the function and implement new controls.

A leading manufacturer of pharmaceutical and home care products has now created this position to head up a small, independent team. Responsibilities will include conducting countrywide audits, appraisal of EDP systems and recommending improved audit procedures.

You must, therefore, be mature and outgoing by nature, probably in your thirties, ACA qualified and preferably with some commercial audit experience. An effective communicator, you will also have sound planning/organisational skills and the ability to manage your team efficiently.

There are good development prospects and benefits include an attractive salary, Company Car, BUPA, Pension/Life Assurance, annual bonus and 4 weeks holiday. If you are interested, ring or write to me, Stephen Boyd at Cripps, Sears & Associates (Personnel Consultants), Burne House, 88/89 High Holborn, London WC1V 6LH. Telephone: 01-404 5701 (24 hours).

Cripps, Sears

## Fund Managers (2) Major Investment Company

to £18,000

We have been asked by our Client, the investment arm of a major Accepting House, to find two outstanding Fund Managers. Our Client is one of the largest forces in the investment scene and operates across the full range of pension fund management, unit trusts, corporate funds etc.

They now seek two men/women, almost certainly graduates, in their late twenties or early thirties with a minimum of five years' experience of investment gained in research based organisations.

### Pension Fund Management

The person appointed will already be working in the pensions area and will preferably have experience of local authority accounts. There is likely to be a considerable marketing element to the job.

### Unit Trusts

This job calls for a person who combines both analytical and fund management skills. The ideal person is likely to be an Analyst/Fund Manager with a stockbroker/insurance company/bank who wants to move into specialist fund management.

As well as a generous remuneration figure, which will include a bonus element, there are the usual banking benefits such as a subsidised mortgage etc.

Please write with full details to Colin Barry at Overton Shirley and Barry, (Management Consultants), 2nd Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-353 1884.

Overton Shirley and Barry OSB

## FINANCIAL ACCOUNTANT

Essex c.£11,000 + bonus

If you're an experienced Accountant and are looking for an appointment which will give ample scope to develop your experience then we can provide you with all the opportunities you need.

P. C. Henderson is one of the leading manufacturers and suppliers of high quality industrial, commercial and domestic door systems.

This appointment carries responsibility to the Financial Director for the whole range of the financial accounting function - credit control and payroll, internal audit, systems review, performance analysis, cash flow forecasts and annual budgets. You'll also be playing a major role in the continuing computerisation of our financial systems and procedures.

Our need is for a man or woman aged 30-45 with an ACA or ACCA qualification and several years' sound practical financial accounting experience in a manufacturing/commercial organisation. We're looking for a strong personality, man management skills and the ability to lead and motivate a staff of around 20. Above all, we require a professional and creative outlook and a thorough appreciation of the accountancy role as a key management function.

Salary will be negotiable around £11,000 per annum plus a profit based bonus. In addition, there are attractive company benefits of the sort you'd expect from a major international company.

Please send a c.v. to Mr. G. A. Gardner, Group Personnel Manager, P. C. Henderson Limited, Harold Hill, Romford, Essex, RM3 8JL. Telephone: Ingrebourne 45555.

HENDERSON DOOR SYSTEMS

## Finance Director

A Multinational Industrial Group has an urgent need for an experienced Finance Director for its International Operations. Based in London the vacancy is a direct result of recent expansion through acquisition.

The Company specialises in consumer products but also has significant industrial interests in the UK and overseas.

Particularly good career development opportunities exist and the ideal man or woman will probably be aged about 40 and currently earning a minimum of £40,000 per annum.

Standard additional benefits exist together with a significant direct financial incentive scheme.

Replies containing comprehensive career details and quoting reference CS2/FT will be forwarded direct to the Management Consultants advising on this appointment.

London  
40 Berkeley Square  
London W1X 6AD  
Tel: 01-629 9496



## Assistant to Director of Funds

This is a key post in the team responsible for the control on the British Railways Board's central funding operations. The ideal candidate will have corporate treasury/banking experience at a senior level and be in the 35-45 age range.

Commencing salary, dependent upon experience and qualifications, will be around £16,000 p.a. including London Allowance. There are generous travel facilities.

The location is in the City of London. Applications should be addressed to:

Chief Accountant,  
British Railways Board,  
222 Marylebone Road,  
London NW16JJ.



## Banking Personnel RECRUITMENT CONSULTANT

Age: 25 - 35  
Since its inception in 1977, the name of Banking Personnel has become synonymous with the very highest standards of professionalism in the field of bank staff recruitment. In order to maintain our present level of growth in an expanding but highly competitive market, we now require an additional consultant to augment our close knit team of successful consultants. Whilst previous experience of banking recruitment is desirable, we would also be interested to hear from anyone with a good solid Banking or specialist agency background. The successful candidate will be personable, articulate, and self-motivated, with a genuine interest in furthering the career objectives of our candidates. In addition to an extremely competitive salary, we offer a generous results related payment scheme, and the security of working for a highly successful division of a major U.K. Group of Agencies.

Please contact our General Manager MARK STEVENS on 01 588 0781 in strict confidence. OUR NAME IS YOUR GUARANTEE OF CONFIDENTIALITY. 41/42 London Wall, London EC2. Telephone: 01-588 0781

## TREASURY MANAGER

£20,000

An international merchant bank wishes to appoint a new Head of its Foreign Exchange Dealing operation. The ideal candidate will have spent the last two years in a junior managerial position in a bank active in dealing, be aged 40/55 and experienced in dealing in all major currencies. The successful applicant will manage the new treasury/dealing area and be responsible for profitable entry into the money markets.

BRANCH MANAGER to £25,000  
CREDIT ANALYST to £14,000  
LOAN ADMIN. MANAGER to £15,000

Applicants with appropriate qualifications should telephone Richard Meredith

## LEASING DIRECTOR(S)

c. £25,000 + benefits

Two executives at director level are required. In each case an equity participation is a distinct possibility.

One requirement is for a successful, highly-motivated candidate with relevant degree and/or ACA qualification who will be responsible for marketing and also for negotiation, documentation and structuring of the lease.

The second is for a director or principal of a small leasing company who specialises in the retail, small-ticket operations, e.g. cars, medical equipment, micro-computers, etc.

Suitably qualified applicants should telephone Brian Gooch

Jonathan Wren BANKING RECRUITMENT CONSULTANTS  
170 Bishopsgate - London EC2M 4LX - 01 623 1266

## CAPEL-CURE MYERS

### INSTITUTIONAL SALES - RETAILING

We wish to recruit a Sales Executive for our well established team in the Retail Sector.

Aged between 25 and 35 the successful candidate will be responsible for marketing high quality specialist research. He/she will have a degree or professional qualification and a successful track record of selling research based services, particularly to insurance companies, pension funds and merchant banks. Previous experience of marketing or research in the sector would be an advantage.

The successful applicant will be joining a highly motivated professional team which has already established an authoritative reputation. Status and reward are unlikely to be limiting factors and the appointment provides an excellent opportunity in a profitable and ambitious firm.

Please apply, in confidence, giving brief particulars of career to date to:

James Neill, Personnel Manager.

CAPEL-CURE MYERS

Bath House, Holborn Viaduct, London EC1A 2EU

## MAJOR EUROBOND DEALERS

in primary and secondary markets have a vacancy for an experienced Bond Salesman. Salary negotiable.

Please apply in writing to P.O. Box 361, Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT.



# Two Qualified Actuaries for Albany Life to £20,000+car

Albany Life is one of the truly successful Companies in the Insurance industry with a rate of growth unparalleled since our formation in 1975. We now have assets under management in excess of £100M. In line with this expansion we now wish to recruit two additional actuaries, for our Head Office in Potters Bar, Herts.

## Assistant Actuary

Reporting directly to the Company Actuary you will be responsible for the full range of actuarial activities, including product development, corporate modelling, valuation and reporting.

## Marketing Actuary

To be responsible for product development and profit testing. There is a certain amount of travelling involved in this position, visiting Brokers in the field.



**Albany Life Assurance**

A member of the £1,200 million American General Company Group of Financial Companies. Investment Advisors Working Investment Management Ltd.

For both positions we require you to have considerable experience in unit-linked products and obviously the ability to program a microcomputer is an advantage. Albany Life is an innovative organisation and you will have considerable scope to make your own personal contribution to the development of the Company. In addition to the salary you will receive a first class range of benefits including non-contributory pension, free BUPA and comprehensive relocation assistance should you need to move. Reply in complete confidence to: Richard M. Knight, Senior Personnel Manager, Albany Life Assurance Company Limited, 3 Darkes Lane, Potters Bar, Herts. EN6 1AJ. Telephone: Potters Bar (77) 42311.

## LOANS ADMINISTRATION

-Section Head  
c.£10,000

## DOCUMENTARY CREDITS

-Senior Assistant  
c.£10,000

Saudi International Bank is a rapidly expanding international Merchant Bank with offices in London and New York, with assets of approximately \$2 billion. The Bank is young, both in its management team and outlook, and has shown consistent growth since its establishment 6 years ago.

This vacancy calls for applicants, male or female, preferably aged 27+ with a significant background in a Loans Administration environment including some supervisory experience. Knowledge of Guarantees, Letter of Credit, Local Authority lending is desirable but not essential. Responsibilities will include the administering of commercial loans for all types and currencies, from sole lending to agency function for syndicated loans. Prospects exist to advance into bank lending within 3-4 years.

Applications are invited from candidates, male or female, aged 25+ with 5 years experience in Documentary Credits. The successful applicant, who will report to the Head of the Department, will be responsible for the opening of credits and payment against documents. Good opportunities for progression exist within this department.

The people required for both these vacancies should be highly motivated, with plenty of drive and energy plus the ability to work with speed and accuracy.

An excellent range of fringe benefits is offered, including mortgage facilities, 4 weeks holiday-free PPP, free lunch, non-contributory pension scheme and free life assurance scheme.

Please contact Miss S. Morse, Assistant Manager - Personnel, Saudi International Bank, 95 Bishopsgate, London EC2M 3TB. 01-588 2323.

البنك السعودي العالمي المحدود  
**Saudi International Bank**  
AL-BANK AL-SAUDI AL-ALAMI LIMITED

## F.X. CUSTOMER DESK DEALER

£15K + PERKS  
required for leading prestigious Merchant Bank. Aged 25-30. Three years' min. experience. CVs to be sent to:

V.P.N. EMPLOYMENT  
8 Liverpool Street, London, EC2

## Manager - Insurance and Risk Management

LONDON WC1 c.£18,000

British Gas seeks a dynamic manager with the professional competence to lead a small team of specialists in insurance and risk management at its Holborn office.

The Corporation has a turnover approaching £5,000 million per annum and net assets of £10,000 million. Its activities are wide, ranging from offshore exploration for gas around the British coastline, to distribution and supply onshore.

The person appointed will have the responsibility for preparing an overall insurance programme in conjunction with the Corporation's insurance advisers and for providing an efficient on-going service extending to risk management in all areas. Ability to plan and work to tight deadlines is essential, demanding analytical skills and sound business judgement, together with a high level of self-motivation and proven management ability.

Applications are invited from men and women who preferably have experience of insurance and risk management with a large industrial concern or with a major insurance company or broker.

Please write with details of qualifications and experience quoting reference number F/012401/015/FT, to: Personnel Manager [H.Q.], British Gas Corporation, 59 Bryanston Street, London W1A 2AZ.

**BRITISH GAS**

## Group Chief Accountant Service Industry Around £22,500

This successful and expanding international group provides a wide variety of services to industrial and domestic markets. It is a market leader in its field. Turnover £85 million with over 6,000 employees worldwide.

Responsible initially to the Group Financial Director, the Chief Accountant will control a small headquarters accounting staff and will have functional responsibility for accounting in the overseas subsidiaries.

Candidates aged 35 to 40 must be qualified accountants with at least eight years' experience of senior international financial management in industry or commerce. This is a high-calibre appointment with excellent prospects.

Salary negotiable as indicated plus car and profit share. Location Surrey/Sussex border.

Please write - in confidence - to David Bennell ref. B.43663.

This appointment is open to men and women.

**MSL** Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW

United Kingdom Australasia Benelux  
Canada France Germany Ireland  
Italy Scandinavia South Africa  
Switzerland U.S.A.

## Bank Economist

A City-based major international banking group has a vacancy for a junior economist, with at least two years' experience in commercial, financial or other relevant employment since graduation.

The post is in the Economic Department, which is concerned with a wide range of subjects including country risk assessment, currency and interest rate forecasts, commodity markets, the many developing countries in which the group operates and developments in the United Kingdom, the United States and elsewhere in OECD. Opportunities for specialisation will be given.

The appointment will interest a young economist possessing a good degree in economics or an associated discipline who is keen to join a lively, well-established team. There is an attractive basic salary and ancillary benefits are substantial. A working knowledge of a major European language would be useful.

Write, giving relevant personal data and career history to The Manager, (U.K. Manpower), Personnel Division, Standard Chartered Bank Limited, 10 Clements Lane, EC4N 7AB.

**Standard Chartered BANK LIMITED**

## COMMISSION FOR LOCAL AUTHORITY ACCOUNTS IN SCOTLAND

### DEPUTE CONTROLLER OF AUDIT

Applications are invited from suitably qualified persons for the post of Depute Controller of Audit. The present holder of the post has been appointed to succeed the Controller of Audit who retires on 31 March 1982.

The Controller is the chief officer of the Commission and is required to supervise and guide the external audit of the accounts of all Scottish local authorities (total annual expenditure c. £4,000m) undertaken partly by the Commission's staff and partly by firms of accountants. He/she reports to the Commission and the local authorities on all significant matters arising from the audits.

The Depute is required to assist the Controller in fulfilling these functions in addition to deputising for him as necessary. The Commission is therefore seeking a person of proven ability who can demonstrate substantial experience and achievement in financial administration. A professional accountancy qualification and a knowledge of modern audit practice are essential.

The present salary scale for this appointment is £17,577 to £19,233.

For further details and an application form apply, quoting reference 8201 to:

The Secretary, Accountants Commission,  
18, George Street, Edinburgh EH2 2QU.  
Telephone: 031-226 7346  
Closing date: 31 January, 1982.



## West Midlands County Council

### COUNTY TREASURER'S DEPARTMENT PRINCIPAL INVESTMENT ASSISTANT

£9,528 - £10,581 Post Ref: CT 2546

To initiate purchases and sales of investments in the UK equity portfolio of the Superannuation Fund. Duties include instructing stockbrokers, maintaining a close contact with the stock market and conducting analytical research into UK companies.

Applicants should possess a final qualification and have at least 2 years' qualification experience in a financial organisation, willingness to work with minimum supervision and a capacity to make sound decisions under pressure essential. For further information please telephone Mr. S. B. Summers on 021-300 6788.

Starting salary negotiable within range stated. Assistance may be given towards relocation and lodging expenses in approved cases.

Applications by letter only stating post ref. no., date of birth, education, qualifications, experience, present and previous appointments with salary details to: County Personnel Officer, West Midlands County Council, County Hall, Birmingham B4 7DJ, by 19th January 1982 (please enclose SAE for reply and mark envelope containing application with Post Ref. No.). The County Council is an Equal Opportunities Employer.

## \$10,000

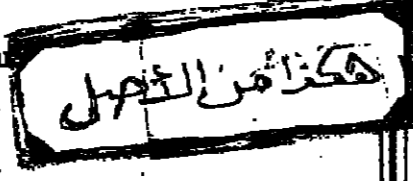
For an Occasional Hour's Work?

Some of our representatives make more

American financial management corporation desires representation in the U.K. Position involves presentation of a highly profitable U.S. investment programme to large investors (U.S.\$100,000 minimum). References.

FINANCIAL PRESENTATIONS INTERNATIONAL

Tel: 01-834 9090



## GROUP ACCOUNTANT CITY UP TO £15,000+CAR

This appointment, which arises due to internal promotion, is based at the international headquarters of a substantial quoted group. Reporting to the Group Financial Controller, and acting as his deputy, the successful candidate will be a key member of a small central finance team.

Principal responsibilities will be in the areas of financial reporting, treasury, data processing and the provision of financial advice to subsidiaries. There will also be involvement in a wide range of ad hoc assignments, including acquisitions and disposals.

Applicants must be graduate Chartered Accountants with a good examination record in the age range 28-35. They should already have gained some experience outside the profession.

Please send a comprehensive career résumé, including salary history, quoting ref. 2042 to G. J. Perkins.

Touche Ross & Co, Management Consultants  
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011  
A member of the Management Consultants Association

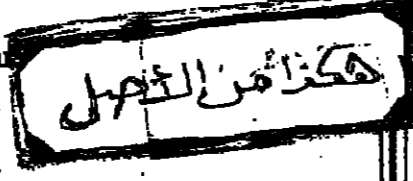
## HOARE GOVETT

### Financial Sector Analyst

Hoare Govett is expanding its coverage of the Financial Sector and will be recruiting an analyst with at least two years experience (preferably in the financial area) to join a team which is well respected by the investment institutions.

Starting salary will be competitive and there are excellent prospects for further advancement. Applications which will be treated in confidence should be sent to:

R. D. Cowell  
Head of Investment Research  
Hoare Govett Ltd.  
Heron House  
319/325 High Holborn  
London WC1V 7PB



## Partnership Secretary

CITY c.£17,000+car

The substantial expansion of this firm of solicitors over the last ten years, both in the UK and overseas, has created the need for this new position.

The post is of partner status and carries responsibility for all administration and support services, and accounting and financial control.

You should have sound experience of administration and of motivating staff, a practical approach to business problems, and personal qualities of energy, maturity and tact. A secretarial or accounting qualification could be helpful but is not essential.

Write in confidence to E. H. Simpson, quoting ref. S020, at 10 Bolt Court, London EC4 (telephone 01-583 3911).

**Chetwynd Streets**

Management Selection Limited

## Banking Personnel

### CHIEF DEALER

Age: 30+ Small but well-established London branch of international bank seeks mature, innovative person with at least 10 years' experience of FX and Deposit Dealing in the City. This could suit an ambitious No. 2 who would prefer full autonomy in a smaller setting. Please contact MARK STEVENS

### HEAD OF LOANS ADMINISTRATION

Age: 30-35 Capitalise on your current comprehensive knowledge of trade-related loans documentation as the head of a busy department in one of the City's most rapidly expanding international banks. The ability to motivate and supervise a young team is almost as important as the appropriate technical expertise, and career prospects are excellent.

### JUNIOR CREDIT OFFICER

Age: 26-32 If your banking skills embrace at least five years' credit experience in a major bank (i.e. loans admin, credit analysis etc.) and you're looking for a chance to utilise your knowledge in a position which involves considerable client contact and eventual marketing involvement, this position with a leading European bank offers just such an opportunity.

For further information please contact in confidence MARK STEVENS or TREVOR WILLIAMS on 01-588 0781

41/42 London Wall, London EC2. Telephone: 01-588 0781

## Top Executives

Our clients find better opportunities. Are you interested?

If your talents are being wasted, or your ambitions thwarted, we can help. Our highly skilled career management consultants have all been engaged in a Top Management role. They understand your problems. After evaluating your true potential through discussion and analysis, they work with you through all stages of the job search until you find that better opportunity that is just right for you. Most of these better opportunities are never advertised.

We have an acknowledged standing in the employment market and an outstanding track record of success. That's why we're confident that after a preliminary discussion you will appreciate why we are able to offer the special sort of help that you need. So why not ring us today?

MINSTER EXECUTIVE LTD. 28 Bolton Street, London W1Y 3BE. Tel: 01-493 1807/1055



## Senior Dealer Courtauld's Treasury Department LONDON

This key new appointment, in our Treasury Department's dealing section, calls for candidates - probably aged over 30 - with at least 3 years' experience in either dealing or a support capacity, within a major corporation's treasury function or a bank.

Supervising two other dealing/settlement staff, the Senior Dealer will be responsible to the Group Treasurer for the complete operation of the Section. This will involve:

- \* central pooling of UK sterling bank balances (including management of the consolidated cash position)
- \* management of central foreign currency bank accounts
- \* foreign exchange transactions
- \* short-term sterling and currency deposits and money market borrowing
- \* drawings on multi-currency borrowing facilities.

An attractive salary will be offered plus a comprehensive range of large group benefits.

Please write with full personal and career details to: J. A. D. Wettenhall, Courtauld's Limited, 18 Hanover Square, London W.1.

**COURTAULDS**

## GENERAL MANAGER

Salary: £22,500+ Age: 40+

A qualified accountant or banker, with experience in the financing of international trade, is required as general manager for the City office of a small group of companies under entrepreneurial control and at present operating from New York and London.

In addition to responsibility for the day-to-day operation of the procurement of supplies and the accounting functions in London, the general manager will be mainly concerned with handling the financing arrangements there and will report directly to the owner of the group, who is based in New York. Only those with substantial international trading experience should apply. The remuneration package will be negotiable from £22,500.

Applicants, male or female, should write in confidence with details of previous experience and current salary, quoting reference DF 1778, to J. W. Hills, at

Annan Impey Morrish,  
Management Consultants,  
40/43 Chancery Lane, London WC2A 1JJ.

**A.I.M.**

## ASSISTANT TO FINANCE CONTROLLER SUSSEX COAST c. £9600 plus STAFF MORTGAGE

An opportunity has arisen to join a major financial institution with branches throughout Great Britain. The Alliance, one of the largest building societies in the country, requires an experienced person to assist in the management of the Society's liquid funds in the money market.

The successful applicant will also assist the Finance Controller with the production of a variety of financial reports and data.

Applicants should be numerate, capable of expressing themselves clearly and concisely and must have a thorough knowledge of the money market and particularly the fixed interest market. A knowledge of basic computer programming would be a distinct advantage.

The salary offered will be within the range £9620 to £12785 per annum and will be determined by the extent of relevant experience. It can be significantly supplemented by generous concessionary mortgage facilities and other fringe benefits include free medical insurance, a first class Pension Scheme, and excellent sports and social facilities.

Please write or telephone for an application form to:

M. A. Nicholson,  
Staff Administration Controller,  
Alliance Building Society, Alliance House,  
Heve Park, Hove, Sussex BN3 7AZ.  
Telephone: Brighton 776454 Extn 23



## Project Accounting Manager

circa £13,500

Davy McKee (Minerals & Metals) Limited, based in Stockton, Cleveland, is an engineering company providing a complete project management, engineering, design, supply and construction service to the iron, steel, process, minerals, energy, food and pharmaceutical industries throughout the world.

This is an opportunity to lead a section with a staff of 14 to produce control and financial records relating to all projects.

The successful candidate will be professionally qualified and be within the age range 28-45. Preferably he/she will also have worked as a Project Accountant for a contracting organisation and have gained knowledge of international projects.

The ability to communicate effectively and to motivate others is essential.

Much of the contract cost recording is computerised and the Project Accounting Manager will be expected to assist in the further development of computer applications.

Salary will be circa £13,500 and benefits are commensurate with the responsibility of the position. Substantial assistance can be given with relocation to the Stockton area which is pleasantly situated close to the Yorkshire Dales and North Yorkshire Moors. There are good leisure facilities and housing development in the area.

Please write or telephone for an application form to:



David Dove, FER, 1st Floor,  
Rede House, Corporation Road,  
Middlesbrough, Cleveland, TS1 1TN.  
Middlesbrough (0642) 248191 Ext. 275.



## FINANCIAL ADMINISTRATOR

CENTRAL LONDON £14,000 + CAR + PROFIT SHARE

Our client is a furnishing contractor specialising in local and international contracts. The business is new and is expanding rapidly.

A Financial Administrator is required to take responsibility for the finance, accounting, personnel and purchasing functions. The appointee will initially work with consultants in the development of procedures for these functions. The job will entail some travel in the U.K. and abroad.

Applications are invited from persons in the 25-30 age bracket. They should hold a degree or major professional qualification in business administration, commerce, accounting, or company secretaryship. Experience of a contracting or engineering environment is desirable.

This is an exciting opportunity for a young person with drive, initiative and the potential for general management. A salary of around £14,000 (plus a car) is offered and a profit sharing scheme is to be introduced.

Please send a comprehensive career résumé, including salary history, quoting ref. 2043 to G. J. Perkins.

Touche Ross & Co, Management Consultants  
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.  
A member of the Management Consultants Association.

## Director of Marketing Cumbernauld

c £20,000

We are seeking for Cumbernauld Development Corporation a senior manager with a proven record in marketing, promotion and administration. This arises from a vacancy in the post of Commercial Director and the new title reflects the increased emphasis which the Corporation is now placing on the promotion of the New Town.

The prime function of the post will be the attraction of new jobs in industrial, commercial and administrative fields to meet the Corporation's growth target and to create a balance of job opportunities in the community.

The successful candidate is likely to be around 40 years' old and may be a Chartered Surveyor. Some knowledge of engineering and manufacturing processes would be an advantage. Although not essential, experience of working in Scotland would be helpful.

The applicant should be prepared to live within or near the designated area of the New Town.

The post will be at Chief Officer level and the individual appointed will be a member of the Corporation's Management team reporting directly to the Chief Executive.

Working conditions are congenial, the salary offered is attractive, a choice of super-annuation schemes is available, life assurance cover is provided, and car assistance is given. Re-location expenses will be covered and help can be given with housing.

Applications are invited from men or women who should write to John Barrie or telephone (24 hour answering service) for a personal history form and further job details, quoting reference PE7.

The P-E Consulting Group

140 Hope Street, Glasgow, G2 2TG. Tel: 041 204 1496.



## COMPANY SECRETARY

North London

£15,000

This is an unusual opportunity to join a major British company, part of a top-bracket international group, as Company Secretary.

The company manufactures and imports capital goods for sale to the home and export markets and is currently working to a re-organisation and expansion plan that will step up its operations to meet the upturn in the market when it arrives.

This is a new senior position whose occupant will report to the Financial Director. The company considers it has an abundance of financial expertise within its organisation and is therefore primarily concerned to appoint a Company Secretary with considerable experience and expertise in legal matters pertaining to commercial operations. The person appointed will be expected to advise the board and line management and to have the ability to write procedures for personnel and company operations. The ability to communicate in French is a desirable attribute.

The company offers a first-class starting salary together with a full range of executive benefits including a company car. Relocation expenses will be paid where necessary.

Applicants, male or female, should telephone Brian Smith, Director, 01-903 9477 quoting reference M/2080. Or write to Aplin Phillimore Associates, Circle House North, 69-71 Wembley Hill Road, Wembley, HA9 8BL.

MOTOR INDUSTRY EXECUTIVE SEARCH AND RECRUITMENT CONSULTANTS

## APLIN PHILLIMORE

## Chief Accountant & Company Secretary

Our client Faber & Faber Limited, wishes to appoint a Chief Accountant and Company Secretary who reports to the Managing Director. There is an accounting staff of 15.

The responsibilities include the provision of management and financial accounts, establishing and monitoring budgets, cash flow forecasting, credit control and advice on the financial implications of Board decisions. There is also company secretarial work including the administration of the pension scheme.

Candidates should be qualified accountants with a minimum of three years industrial or commercial experience. Previous work in publishing is not as important as familiarity with computer systems, being up to date with current accounting practices, and previous involvement in decision making. Experience of supervising staff is also important.

Starting salary is negotiable. A company car and pension scheme are provided. The position is situated in Harlow, Essex.

Please write or telephone for a job specification and application form, quoting reference number 1330 to:



Anne Knell, Principal Consultant,  
Bridger Hamlyn Fry & Company,  
Management Consultants,  
2 St. Bride Street, London EC4A 4HR.  
Telephone: 01-353 5171.

## ACCOUNTANTS

NORTH SUSSEX  
FROM £10K PLUS BENEFITS

We are a British owned, multi-national group, a highly successful manufacturer serving the electronics industry. Due to internal promotion two important head office appointments have arisen for suitably qualified men or women; both report to the Group Financial Controller.

### Project Accountant

This requires a mobile person able to undertake specific project investigations at our various U.K. locations, and assist with the half-yearly Group consolidation. Additionally he/she will act as Management Accountant for at least one of the Group's new business ventures. Candidates should be ACMA, aged around 30.

### Head Office Accountant

To prepare management and financial accounts; supervise a small accounting team and assist with treasury functions. Candidates should be in their 30's, and either full or part qualified.

Please write, with brief career details, to Michael Mealing, Group Personnel Manager, Bouthorpe Holdings PLC, Gatwick Road, Crawley, Sussex. Tel: Crawley (0293) 28888.



Eurobonds c £20,000  
Two leading U.S. bond dealing operations are urgently seeking an experienced secondary market trader in straight and FRNS. ALSO EUROBOND SALES EXECUTIVE with proven track record.

### Commercial Banking Manager

A well established and profitable LDTI in the City are seeking an experienced banker with a strong finance bias to head up a busy documentary credit and commercial loans department.

### Lending Officer

A large International Finance Company with a banking presence in the City require a senior lending officer with specific knowledge of trade finance with the Middle East also of international syndicated lending.

### Internal Auditor

A prime international financial organisation require an experienced auditor for their City office. A minimum of 5 years in bank audit and the ability to assume managerial responsibilities are essential.

### Junior Marketing Officer

An ideal step into marketing is offered in a prime bank based in the City. A background in loans or credit and a positive approach is essential.

TALK TO SHEILA JONES

OLD BROAD STREET  
BUREAU LIMITED  
STAFF CONSULTANTS  
01-588 3991

## MANAGING DIRECTOR ENGINEERING/FABRICATION

£18,000 and car

We are an expanding private group and an associate of a large international group with plans for substantial investment in British manufacturing sector.

This appointment is to provide leadership to a team of professional directors and to undertake a programme of expansion and diversification. Initially the appointment will be for one company with emphasis in production and commercial management.

Candidates, around 45, should currently hold a profit accountable general management appointment. Experience in production management and handling engineering contracts is desirable.

Besides negotiable salary and car, the company shall pay relocation expenses and profit-related bonus.

Please send relevant details—in confidence—with evening phone number to:  
Box A.7712, Financial Times, 10 Cannon Street, EC4P 4BY.

## Bank Recruitment Specialists

LENDING OFFICER c. £17,000

Aged 28-35, for prominent U.S. bank. Several years' international corporate lending experience required. Ideally including U.S. bank training and experience of Securities markets.

SENIOR CREDIT ANALYST c. £12,000

Opportunity for a Credit Analyst with into 2 yrs' experience (usually including formal U.S. bank training) to join an active, expanding international bank at Asst. Manager level. Age: up to 32.

LOAN ADMIN./E.C.G.D. c. £8,000

Particularly interesting appointment for an ambitious Loan Administrator (2-3 yrs) with syndications and E.C.G.D. experience. Some research and marketing involvement.

GRADUATE BANKER c. £7-8,000

Career opportunity, including formal credit training in U.S.A., for ambitious young graduates (23-26) with one or two years' international or clearing bank experience.

For further details, contact Leslie Squires

EUROBOND DEALER c. £15-20,000

Well presented, ambitious Eurobond Dealer (25-30) sought by globally-based international securities house. Significant career prospects and comprehensive fringe benefits.

INVESTMENT (Middle East) Negotiable

Experienced Investment Analyst (25-35) sought to take responsibility for performance measurement of equity and fixed interest funds, with additional treasury management involvement. Good location; high financial reward and normal expatriate benefits.

SPOT DEALER c. £12,000+

For a top name. Several years' experience required in all major currencies. Age preferred mid-20s; knowledge of a European language advantageous.

JUNIOR F.X. DEALER c. £8-12,000

U.S. bank seeks a bright young dealer (age 27 max), with upwards of 12 months' F.X. or deposit dealing experience, to augment its established F.X. team.

For further details, contact Ken Anderson

Anderson, Squires  
Bank Recruitment Specialists  
Regina House, 1-5 Queen Street  
London EC4N 1EP

Anderson, Squires

## Redundant - or just looking?

Career progression blocked? Changed domestic circumstances? Impending takeover? Or just feeling that life should be more rewarding? As a career counsellor with over 16 years' experience, I can help you solve these problems (those starting over £2,000) to prevent problems in perspective and redefine career and personal objectives.

Together, we can plan a positive course of action to achieve results and carry out a systematic job search programme using our many valuable contacts. Full research, lead-generating, self-presentation and interview training, secretarial/word processing facilities, use of office if required. And my continued personal support and encouragement with regular reviews of progress.

Available at my convenient location.

Telephone Michael Wood now without obligation, on

Ranby (0953) 58883 office or 721420 home.

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23 High Street, Ranby, Oso, OX16 8EG and  
1 Gerrard House, Cannington Street, London W1.

## INSURANCE BKRS. MANAGEMENT CHARTERED ACCOUNTANT

29-37 PREF. TO £15,000+CAR

This fast expanding International Insurance Group needs a qualified Chartered Accountant to take control of all financial matters for its London based Broking House. Eventual progress to the position of Financial Director is envisaged.

You will be part of a young, flexible management team and actively involved in the development of the company. Lloyd's Broker experience and a knowledge of computers are important. In confidence contact Andrew Moore, ACII, or Tim Weeks, MBIM, MIEC.

MOORE & WEEKS LTD. Tel: 01-481 1586. CORN EXCHANGE BUILDINGS, 52-57 MARK LANE, LONDON EC3R 7QD.

## ACCOUNTANT/DIRECTOR FOR LLOYDS BROKER

SALARY £18,000 + CAR (NEG)

A City-based Insurance Broker is seeking a Qualified Accountant (30-40) with Lloyds' Broking experience to take charge of the accounting function. The person sought will be a good administrator with the ability to both devise and implement strict budgetary controls.

The successful applicant will be expected to make a major contribution to the company's future expansion.

Telephone G. J. CLARK ON

01-422 8218 in strict confidence.

Position: Retired Banker (a challenging position).

Qualifications: (1) A.I.B.

(2) Must have held a responsible position with a reputable commercial bank.

(3) Two references, one of whom must be the last employers.

Age: 45 to 60 years.

Salary: Negotiable.

Fringe Benefits: Attractive.

Replies: Replies should be addressed to our Chief executive and marked Private & Confidential.

Write Box A7708, Financial Times  
10 Cannon Street, EC4P 4BY



# Accounting systems manager

London c£16,000

At the European head office of one of the world's leading construction companies with significant operations in the energy industry. A record level of new contracts have been written in the last twelve months.

You will manage the installation of advanced computer systems to handle the accounting for a region generating 40% of group turnover. The project involves the replacement of an entire accounting system using an IBM 3033 with a budget of sixty man years. Liaising closely with headquarters in the US and with users throughout the region, you will lead a specialist team and report to the senior finance man in Europe. This is a three year project which will provide excellent opportunities for advancement.

Aged around 30, male or female, you should be a qualified accountant with two or three years' computer systems experience, probably gained in consultancy or professional practice, and must have played a leading part in an installation project.

Resumes including a daytime telephone number to Stephen Blaney, Executive Selection Division, Ref.B010.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited management consultants

Shelley House Noble Street London EC2V 7DQ

# Internal Audit

An international bank in the City is seeking an experienced internal auditor to strengthen an established team.

The ideal candidate, probably in the 25-30 age range, will have achieved good G.C.E. 'O' level (if not 'A' level) results, to which an A.L.B. or M.B.A. will have been added. He or she will also have had about 10 years exposure to international banking, the first half spanning a variety of operations and the latter 5 years concentrated on internal auditing within a computerised environment.

A five figure salary is envisaged if the above criteria are met. Other benefits are competitive for the banking sector, including profit-sharing.

Applications will be treated in strict confidence. Please write initially detailing age, qualifications, experience and present salary to Mr. E. Cotter.



Golley Slater and Partners Limited 42 Drury Lane, London WC2B 5RN.

# Guy Butler (International) Ltd.

International Money Brokers

Due to expansion and the formation of a new section require

# Currency Deposit Brokers

with at least one year's experience of the fixed or short date currencies in the international deposit markets. Good salaries and the usual City benefits will be offered to successful applicants.

Please write giving full details of experience to date to:

Miss Maureen Ormerod Adelaide House, London Bridge London EC4R 9HN

# BUTLERS

Guy Butler (International) Ltd. A member of the Sims Darby Group

# UNIT TRUST ADMINISTRATION

FIDELITY INTERNATIONAL MANAGEMENT LIMITED - the rapidly expanding U.K. Unit Trust arm of the world's largest investment fund group, which manages over £6,000,000,000 worldwide - has two vacancies within its Finance and Administration area.

## Senior Unit Trust Administrator/Accountant

The position is for an experienced administrator to join the existing team. It is essential that the individual has proven ability in unit trust services and a sound understanding of accounting controls.

A knowledge of computers will be helpful, as a gradual programme of computerisation is being undertaken.

The likely candidate will be in the age range 25-35.

## Accounts Assistant

This position requires a person with at least 2/3 years experience in cashing and general ledger reconciliations. Responsibility will be for a manual bought ledger and settlement system.

This is an excellent opportunity to join the Company in its early years. Competitive salaries are offered together with bonus and other fringe benefits. Those applying should note that the Company Accounting and Administration Departments are relocating to Tonbridge, Kent within the next 9 months.

Please send a detailed C.V. in strictest confidence to: A.J. Watson, Director, Finance & Administration Fidelity International Management Limited 20 Abchurch Lane, London EC4N 7AL

Fidelity International

# INTERNATIONAL TROUBLESHOOTERS

Central London

neg. to £13,500

Our client, a fast growing British company involved in advanced information technology with annual turnover in excess of £120m requires two exceptional, young qualified ACA/CA/ACCA's aged 24-32.

The positions will involve around 50% travel throughout EUROPE, LATIN AMERICA, HONG KONG, SINGAPORE and the MIDDLE EAST. A second European language would therefore be a distinct advantage.

Candidates with high potential will be interviewed shortly.

Please contact GEORGE D. MAXWELL.

# Hudson Shribman International Ltd

23 College Hill, London EC4

Tel. 01-248 7851

# HEAD OF TRAINING

CITY

MAJOR INTERNATIONAL BANK

c.£18,000

Our Client is a substantial and expanding international bank employing approximately 700 personnel in the UK.

Promotion has created the need for a senior training officer to take control of the existing training department in London which consists of a small and close knit team. Principal responsibilities will be for the creation and administration of training courses and projects together with the co-ordination of graduate recruitment and human resource development.

Candidates, probably in their early 30's with a degree and/or a professional qualification, will be training professionals with flair, imagination and well-developed interpersonal skills incorporating the ability to communicate and motivate at all levels.

This represents a genuine career opportunity with a financial institution of substance offering scope for personal development and a competitive salary and fringe benefits in the best banking tradition.

Contact Norman Philpot MIPM or Peter Woolnough BA in confidence on 01-248 3812

# NPA Recruitment Services Ltd

60 Cheapside London EC2: Telephone 01-248 3812 3 4 5

# African Lending

c£15,000+ banking benefits

A leading merchant bank in the City is seeking an experienced banker of high calibre to help establish an African lending desk, handling a portfolio of sovereign and corporate loans. This will involve extensive travel.

Candidates should be aged 25-35 and conversant with all aspects of lending to Africa particularly business development, credit analysis, loan administration, documentation and syndication.

Fluency in French is essential as is the ability to analyse independently and objectively complex risks, and to develop imaginative and innovative solutions.

Please contact Philippa Rose

Philippa Rose & Partners Limited

18 Eldon Street London EC2M 7LA

Telephone: 01-588 5196



# Banking Opportunities

Financial Accountant early 30's c.£13,500  
An international bank requires a qualified financial accountant. Applicants must have a wide knowledge of banking and accounting systems.  
Loans Administration Supervisor 30/40 £10,000  
Supervisor with strong qualities of leadership required to control a section of the loan department of an international bank. Must have covered entire range of loan administration duties with emphasis on syndicated loans. Good prospects.  
THE FOLLOWING FOUR POSITIONS ARE FOR CREDIT ANALYSTS WITH BANKING EXPERIENCE:  
Credit Analyst mid/late 20's £9-£12,000  
Major bank seeks UK/international credit analyst experienced in supervision of all types of financial statements and preparing financial and project reports. At least two years' experience in credit analysis required. Working knowledge of Spanish/Portuguese useful.  
Credit Analyst mid 20's c.£9,000  
Well-educational credit analyst with two or more years' experience required to analyse prospective borrowing. Must have covered all aspects of credit analysis.  
Credit Analyst mid 20's c.£9,500  
Credit analyst with experience of bank and corporate analysis required by international bank. Minimum one year's credit analysis experience, but must be in all aspects of both above-mentioned types of analysis.  
Credit Analyst 25/29 c.£10,000  
International bank requires graduate in Economics, Business Studies or Law to work with senior management reviewing and analysing application of credit for corporate/government and bank borrowers. Minimum two years' experience needed.

LJC Banking Appointments Ltd 170 BISHOPSGATE, LONDON EC2M 4LX 01-283 9953

# APPOINTMENTS ADVERTISING RATE £29.00 per single column centimetre

# Financial Controller

c£25,000 + benefits

A company urgently require a qualified ACA aged 32-40 with considerable financial experience. The experience must have included credit control, and a good computer systems experience (hopefully of forex or money-market transactions).

In addition to the above the applicant should be articulate and have a lively disposition. The position affords the opportunity of a boardroom appointment.

Contact: Brian Gooch

JONATHAN WREN & CO. LIMITED

(Recruitment Consultancy)

170 Bishopsgate, London, EC2

Tel: 01-623 1266

# THE ROYAL BANK OF CANADA

requires an experienced

## CORPORATE SERVICES DEALER

in their expanding International Money Markets operation in Bishopsgate

The ideal candidate will have traded both foreign exchange and deposits and have a good working knowledge of the domestic sterling market. A competitive salary will be offered, together with an excellent employee benefits programme.

Write giving details of age, background and experience to:

M. C. P. Beales, Manager, International Money Markets THE ROYAL BANK OF CANADA 99 Bishopsgate, London EC2M 3XQ

# LONDON-BASED SMALL INTERNATIONAL TRADING COMPANY

require a well qualified, capable accountant able to work with minimum supervision to undertake the position of Group Internal Auditor/Management Accountant. Experience in multi currency consolidations would be an advantage. Excellent salary, W.P.A. insurance, pension scheme, etc. For both these positions please write: Box A7718, Financial Times, 10 Cannon Street, EC4P 4BY

# MANAGEMENT ACCOUNTANT

required for UK operating company, part of the above group, based in South West London. The ideal candidate will be a young, ambitious accountant with some knowledge of computer accounting - able to work with minimum supervision, preparing and analysing monthly management accounts. Excellent salary, W.P.A. insurance, pension scheme, etc. For both these positions please write: Box A7718, Financial Times, 10 Cannon Street, EC4P 4BY

# A CALL TO SCHOOL LEAVERS OF 1982

Have you thought of becoming a News Journalist? Would you be good at finding out news and reporting? Interviewing people and writing up what you have found? Would you like to work for a newspaper? This is your chance to find out. We are offering a year's training for this work - it is a one-year course, followed by a two-year course. The first year is spent at the newspaper. The second year is spent at the newspaper's headquarters. The course is free. You are likely to have two A levels and will be under 20 on September 1st. 1982. Write for an application form, enclosing a 9 inch by 4 inch stamped and addressed envelope, for the News-Journalism course starting that month to the industry's own training organisation, THE NATIONAL COUNCIL FOR THE TRAINING OF JOURNALISTS, 18, Abchurch Lane, London EC4N 7AL. Similar courses are also available in Journalism, Photography and Periodical Journalism.

# CHARTERED ACCOUNTANT

There is a vacancy for a recently qualified Chartered Accountant, preferably with some experience in London. The ideal candidate will be a young, ambitious accountant with some knowledge of computer accounting - able to work with minimum supervision, preparing and analysing monthly management accounts. Excellent salary, W.P.A. insurance, pension scheme, etc. For both these positions please write: Box A7718, Financial Times, 10 Cannon Street, EC4P 4BY

# CHARTERED SECRETARY

Salary up to £15,000 per annum plus car and other benefits

S. & W. Berisford Limited, a major public company situated in the City of London, is the holding company for a highly successful international group of companies principally involved in commodity merchanting, processing and distribution.

In addition to the usual company secretarial functions associated with a U.K. listed company, the Company Secretariat provides a varied range of legal, property and administrative services.

An experienced Chartered Secretary is now required to assist the Company Secretary in this role. Applicants must be able to demonstrate success in a similar capacity and white age is not a limiting factor, it is unlikely that anyone under the age of thirty will have had sufficient experience for this important position.

Applications should be sent to:

The Secretary S. & W. BERISFORD LIMITED Berisford House 50 Mark Lane London EC3R 7QJ

# Professionals Only

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of a leading Sales Company in the field of finance and real estate with openings world wide.

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# Qualified Accountant

preferably FCA or FCMA We require for Central Headquarters of a leading Engineering Group located 10 miles N.E. of Birmingham the operations in the control of management statistics related to the operations of a number of subsidiaries in a number of fields including engineering goods distribution. Experience in the application of computers for financial control will be an advantage. Please apply in strictest confidence Write Box A7717, Financial Times 10 Cannon Street, EC4P 4BY

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Sought by International Bank for Audit. Experience in computer contract with possibility of longer term. Salary negotiable. CIRCULARS: Not less than 2 years experience. Circle 28,000. Please contact SHEILA ANKERS, 101, Abchurch Lane, London EC4N 7AL. Q.S. Banking Recruitment Consultants 30-31 QUEEN STREET, LONDON EC4

# MIKE POPE & ASSOCIATES

Bank Recruitment Consultants  
Credit Manager (B&H) (32-38) £85,000  
Eurobond Sales Executive £25,000  
General Manager Commercial Banking (35-40) £ neg.  
Graduate Lending Officers £ neg.  
FX Dealers £ neg.  
Accounts Manager £ neg.  
Please contact Mike Pope or David Patten 01-626 5181 1/2 Gracechurch Street, EC3

# INTERNATIONAL ENERGY DEVELOPMENT CORPORATION

is a young, rapidly expanding company engaged in international oil and gas exploration and development and the provision of advisory services in energy related development. We require a reliable, qualified accountants to be responsible initially for the maintenance of the company's accounting records and to assist in the development of systems. Applicants should have prior experience of all industry joint venture accounting in an open ended capacity preferably in an organisation with multi-project involvement. Applications, enclosing a full curriculum vitae, should be addressed to: The Financial Controller DEVELOPMENT SERVICES LTD, The Lower Mall, Kingston Road, Ewell, Epsom, Surrey, KT7 2AF

# SUGAR TRADERS

Major International Trading company seeks experienced traders of the highest quality to deal in sugar and other soft commodities. Candidates must have a record of proven success in this field. Salary negotiable. Write Box A7718, Financial Times 10 Cannon Street, EC4P 4BY

# APPOINTMENTS WANTED

MANAGING DIRECTOR Recently returned from four years' residence in S.E. Asia setting up successful Technology Marketing and Services Organisation throughout the region, seeks opportunity to use his experience and contacts. Write Box A7718, Financial Times 10 Cannon Street, EC4P 4BY

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WE CAN HELP YOU.

## CONTACT THE PROFESSIONALS IN CAREER COUNSELLING.

Telephone for a free, confidential appointment with a consultant, or send us your cv.

CHUSID London: 01-590 7861 35-37 Fitzroy St. W.1 Manchester: 061-228 0089 Sunley Building, Piccadilly Plaza.

# PROJECT/CORPORATE FINANCE OFFICERS

An expanding international bank requires young project/corporate finance officers for its merchant banking arm which is located in the City. MBAs or holders of Masters degrees in Commerce/Finance/Economics with a minimum of two years' experience in project appraisal, credit/investment analysis or any area of corporate finance may apply. Innovative individuals with a capacity for sustained hard work are required to form part of a young and effective team. The flexibility to work with people of diverse nationalities is essential. A working knowledge of languages other than English would be an advantage. An attractive salary will be offered with excellent prospects for career growth within the institution.

Applications with curriculum vitae and one passport-size photograph may please be addressed to Box A.7717, Financial Times, 10 Cannon Street, EC4P 4BY

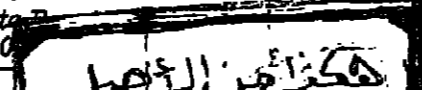
# COMPANY ACCOUNTANT

Small expanding company, operating as specialists in construction industry, requires an accountant. To be responsible for simple financial accounts up to year-end accounts, foreign exchange, monthly management reports to the board (budgets, cash-flows, capital investment appraisals, working capital controls). Salary according to age and experience plus excellent annual bonus. Excellent prospects as company grows. Apply in writing to Mr. D. I. Price, SOIL STRUCTURES INTERNATIONAL LTD., 58 Highgate High Street, Highgate, London N4.

# CHARTERED ACCOUNTANT (25-35)

required to take full charge of all company accounting. Computer experience essential N.W. London Circa £10,000

Write to: 10 Cannon Street, EC4P 4BY





# International Appointments

INTERNATIONAL APPOINTMENTS ARE CONTINUED ON THE FOLLOWING PAGE

**INVESTMENT BANKER**  
 Britain with financial qualifications and with wide experience of securities investment and corporate finance, currently working for Middle East investment houses seeks change. Willing to be based in U.K. or Middle East. Ideally with European or U.S. investment bank or a firm in Middle Eastern financial institution or individual. Full c.v. supplied to genuine, potentially competitive enquiries. All letters will be acknowledged and treated in the strictest confidence.  
 Please reply to Box A.7714  
 Financial Times  
 10 Cannon Street, EC4A 3DF

## Deputy Finance Director Hong Kong

c. £30,000 + 25% (income tax 15%)  
 Construction costs in excess of £1bn have already been incurred in building the Mass Transit Railway, and the third stage of development will make it one of the largest and most active enterprises in South-East Asia. The finance division is responsible for the financial planning and project cost control of the expansion programmes, as well as the mainstream financial management and statutory accounting of the MTR Corporation, which is also involved in major property developments on a joint venture basis. To fulfil the wide-ranging role of Deputy Finance Director, a well-qualified accountant at least in the late 30s is required, who has reached senior management rank in a substantial commercial company, using sophisticated computer-based planning and control systems. Experience of working outside Europe would be valuable. Hong Kong is a most attractive overseas location, and the remuneration will attract those currently earning £20,000 or more in UK terms. A 25% gratuity is provided, and the excellent expatriate benefits will include family accommodation, education allowances and annual paid home leave.  
 Write for an application form or send brief CV to the address below, quoting ref. AA26/7866/FT on both letter and envelope, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants.

### PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6680 Telex: 27874



### INTERNATIONAL APPOINTMENTS

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### VACANCY EXISTS


FOR A  
**SENIOR TRUST OFFICER**  
IN THE CAYMAN ISLANDS

Candidates should have several years relevant experience at Trust Officer level and hold the Trustee Diploma of the Institute of Bankers or equivalent professional qualification. Duties will include - administration of managed companies. An attractive compensatory package will be offered to the successful applicant.

Applications in complete confidence, marked Confidential, should be addressed to:

**The Managing Director  
Washington International  
Bank and Trust Ltd.  
P.O. Box 609  
Grand Cayman  
British West Indies**

A MEMBER OF THE INTERNATIONAL BANK OF WASHINGTON GROUP



### RESERVE BANK OF AUSTRALIA

#### ASSISTANT GENERAL MANAGER NOTE PRINTING BRANCH MELBOURNE, VICTORIA

The Reserve Bank of Australia, which is currently commissioning a new bank note printing works in Melbourne, Victoria, invites indications of interest from persons suitably qualified and experienced in large-scale printing operations for appointment as an Assistant General Manager. Qualifications/experience in high security printing will be of particular interest. The occupant of this position will come under consideration for possible future appointment as General Manager for which there is likely to be a vacancy in late 1982.

The new Branch has a staff complement of about 600 and is equipped with current design multicolour offset and intaglio presses. Its work comprises high security printing of which the most important element is the production of Australia's legal tender requirements in currency notes.

The post offers either permanency of appointment, subject to a maximum retiring age of 65 years, or a term of four years, renewable by mutual agreement.

For a permanent appointee, initial salary in the vicinity of \$A35,000 pa, with accompanying senior executive benefits, is envisaged. A comparable salary package would be negotiated for a term appointee.

Interested persons with the requisite qualifications/experience are invited to write personally no later than 15 February, 1982 in the first instance to:

**The Chief Manager  
Personnel Department  
Reserve Bank of Australia  
Box 3947, G.P.O.,  
SYDNEY, N.S.W. 2001  
AUSTRALIA.**

All confidences will be respected.

A large international group, supported by a major European Merchant Bank with substantial interests in West Africa wishes to appoint a-

### Financial Controller

This is an exciting new appointment for my clients highly profitable ship repairing subsidiary in Lagos and brought about by the rapid growth of this large group within Nigeria. It presents an unusual career opportunity for an ambitious and thoroughly professional accountant, who must have promotion potential. French though not essential would be advantageous.

A financial qualification is required as he will have full responsibility for the company's financial management as well as for the build up of a sound financial team.

The remuneration package is generous - not less than £25,000 net after tax. This includes free married accommodation, car and driver, medical, pension and insurance schemes with excellent leave arrangements.

Age 30-45 Salary £25,000 + Lagos (Apapa)

Our client wishes to make an early appointment. Applicants should therefore contact me as soon as possible quoting R.A.

**Robin R Whalley**  
INTERNATIONAL APPOINTMENTS (LONDON) LTD  
 (Executive Recruitment Consultants) Greater House, 66-68 Holborn, London, WC1N 3AR.  
 Telephone: 01-839 1621/4 & 01-839 2831 Cable: Interapp, SW1 Telex: 912881 ca. Interapp

### Trading Opportunity

Switzerland to S.Fr. 50,000  
**DRUMMOND SA**

DRUMMOND SA is the principal European Subsidiary of a Major U.S. Coal Exporter.

They now seek to appoint a Junior Trader who will report to the Senior Management team.

Initial responsibilities will include:

- \* Execution and documentation of sales and trading contracts.
- \* Preparation of inland shipping, transportation and financial documents.
- \* Foreign exchange transactions.
- \* Assistance in negotiations at a local level with finance houses.
- \* Some customer liaison.

Applicants, seeking a responsible position with development potential, will ideally be aged in their late 20's to early 30's and have sound commercial experience gained within a trading environment.

Fluency in French is essential and a knowledge of Spanish and German would be an advantage.

To apply please write attaching a full resumé, indicating current salary level and quoting reference 5565 to M.J.R. Chapman.



**Lloyd Chapman International**  
125, New Bond Street, London W1Y 0HR 01-489 7761

### Financial Consultant

Riyadh, Saudi Arabia  
to US \$45,000

A Saudi Arabian Government agency specialising in financing private sector projects within the Kingdom, seeks a highly motivated, mature accountant to provide assistance to clients in improving management information systems.

Principal responsibilities will be to consult with clients in the design and implementation of integrated management information, accounting and control systems for manufacturing operations, to investigate financial performance of projects and to train and develop staff.

Candidates should have a CA or CPA qualification, two to five years' post-qualification experience in auditing and financial consulting, primarily in manufacturing businesses and superior communication skills. Fluency in spoken and written English is essential. Fluency in Arabic would be a distinct advantage.

As this position will require considerable travel within the Kingdom, preference will be given to applicants who are single. However any married candidate appointed will be offered a married status contract.

In addition to salary paid free of tax in Saudi Arabia, an excellent benefits package is offered including free housing and medical care, leased car, generous leave provisions and good recreation facilities.

Interviews will be held in Europe in February.

Please telephone (01-629 1844 at any time) or write - in confidence - for a personal history form. B. G. Woodrow ref. B.1001.

**MSL middle east**  
Management Selection Limited  
International Management Consultants  
17 Stratton Street London W1X 6DB England



### PETROLEUM FINANCE

Pacific Basin

Major Hong Kong Banking Group seeks a Petroleum Finance Executive to develop its technical capacity to service the growing oil production and refining industry throughout the Pacific Basin.

Candidates should be graduates in Geology or Petroleum Production with broad practical experience of onshore/offshore projects, and practice in financial project analysis within the oil industry or a finance house.

This career opportunity offers a high reward package including base salary, substantial profit share, housing and outstanding overseas benefits. (TV/239)

Candidates should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

### Regional Financial Controller

US \$45,000 + substantial allowances & benefits  
Lagos, Nigeria Permanent staff status


The international division of a leading US pharmaceutical company requires an accountant to join its expatriate staff, based initially in Nigeria. Products are manufactured and sold in Nigeria and elsewhere in West Africa, producing revenues of over \$30m. The company is expanding both internally and into new markets.

The task is to be an active member of the local management team, taking full responsibility for all financial and accounting matters. The total scope of the position is far broader than this function, demanding a contribution in all areas.

Candidates must be qualified accountants, over 30, with experience of working overseas. Knowledge of the pharmaceutical industry and familiarity with company secretarial procedures would be advantageous.

The benefits package is excellent, more than matching that offered by the majority of multinationals.

Please reply in confidence giving concise career and personal details and quoting Ref. ER524/FT to P.J. Williamson, Executive Selection.



**AMS** Arthur Young Management Services  
Rolls House, 7 Rolls Buildings  
Fetter Lane, London EC4A 1NH.

A member of the AMSA Group in Europe and of Arthur Young International

### Lending Officers

Major Italian Bank

A leading privately-owned Italian Bank is seeking experienced Account Officers for the Corporate Lending Dept. in its Milan headquarters.

Candidates must demonstrate strong analytical and marketing skills and should have at least three years banking experience. Fluency in English and Italian is essential.

These positions offer excellent prospects for career development, both in Italy and, in the longer term, internationally. Competitive salaries will be augmented by an attractive package of fringe benefits.

Please send full personal, career and salary details to Confidential Reply Service, Austin Knight Limited, London W1A 1DS, quoting ref. ASL 8319.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.



**Austin Knight Advertising**

### INVESTMENT MANAGER

A prominent financial institution in Kenya wishes to appoint an Investment Manager to run the assets of its Pension Fund. Applicants should preferably be Kenyan citizens and have both a relevant degree together with a professional qualification, e.g. Associateship of the Institute of Investment Analysts or of the Pension Management Institute. Candidates should also have knowledge of both marketable securities and more direct investment, e.g. property.

An attractive salary plus fringe benefits will be offered to the right candidate.

Replies with full C.V. should be sent to Box A7713  
Financial Times, 10 Cannon Street, EC4A 3DF

### SENIOR PORTFOLIO MANAGER

GENEVA

Our International Trust and Investment Division, established in 1972 and operating in seven locations worldwide, requires a Senior Portfolio Manager for its Geneva office, Boston Investment and Financial Services SA.

The position will entail the management of equity and fixed income portfolios for private clients. Applicants should have at least five years' experience in international portfolio management, a thorough knowledge of the major equity and bond markets, a proven record of success and a valid Swiss work permit plus fluency in English.

Salary will be commensurate with the responsibilities of the position and experience of the individual.

Applications should be in writing to:

Ian Eaglestone,  
Vice President, Personnel,  
The First National  
Bank of Boston,  
5 Cheapside,  
London EC2P 2DE.





# International Appointments

## Managing Director

Hong Kong

Container Terminal

Our client, Modern Terminals Limited, operates one of the world's most advanced container terminals offering a seven-day 24-hour service with on-line computer systems support. Employing 1,250 staff, the company handles over 550,000 containers per year for more than 30 shipping lines. The present Managing Director retires in June 1982. Day-to-day operating of the container terminal is highly profitable and ably controlled by the existing management team. The Managing Director's main contribution will be, therefore, to develop and expand the business further - a role which will require vision, pragmatism and leadership of a high order. He will travel extensively and negotiate at an international level. He will report to the Chairman and have full authority for implementing agreed policies. Candidates should possess a sound knowledge of in-port cargo handling or be

able to demonstrate a proven track record of managerial achievement in a high pressure related working environment involving transport and distribution. Engineering, marketing and financial experience would be advantageous and previous exposure to a multi-cultural environment is sought. The appointee (age about 40) must be able to take up the post, at latest, by May 1982. The rewards are significant and conditions of service include a house, car, six weeks annual leave, first class travel for the family, education allowances and other fringe benefits. The maximum salary tax in Hong Kong, is currently 15%. PA offers you complete security and initial interviews will be conducted early in February 1982. Applications, giving the fullest possible information plus a copy of a recent photograph, should be forwarded, quoting Ref. HK1618/KF to:

PA Management Consultants Ltd.,

12th Floor, Shell House, 24 Queen's Road, Central, Hong Kong



A member of PA International

## Financial Controller

France

c. FF 190,000

Our client is a major international contracting and construction company who are leading specialists in the offshore oil and gas industries.

This is a new position reporting to the Director in charge of a fast-growing Division offering specialist world-wide installation, contracting and operational services. The Financial Controller will take full management responsibility for the Division's development of financial control, management information systems, contractual credit control and play a leading role in the Division's growth plans.

Candidates aged probably 30-40 will be qualified accountants and ideally have sound international financial management experience gained within a contracting or engineering environment. Proficiency in French is not essential.

Candidates should apply in confidence with full personal details quoting reference number 2015/FT to:

Management Consultants - Executive Search  
**CRG Corporate Resourcing Group**  
London Business Centre, 77-79 Wells Street, London W1P 3RE.  
Telephone: 01-580 5522.

## Financial Controllers

Saudi Arabia : Around £26,000

Our client is a highly prestigious and diversified group with substantial industrial and commercial activities in the Kingdom.

There are two appointments. The first will be responsible for all financial and accounting functions of a medium term construction project with strong possibilities of long term employment within the group.

The second is an assistant controller for a fully integrated commercial subsidiary and will be responsible for cost control, budgeting, cash flow, monthly reporting etc.

Candidates who should be qualified accountants or business graduates must have a demonstrably successful record at senior level in a demanding and highly versatile business environment. Previous Middle East experience is desirable.

There is a negotiable tax free salary and benefits include free housing, transportation, medical and paid airfare etc.

Please write - in confidence - or telephone (01-730 0255) to G. E. Yazigi ref. B.1111-33.

**MSL middle east**

Management Selection Limited  
International Management Consultants  
52 Grosvenor Gardens London SW1W 0AW



## CHIEF ACCOUNTANT

LUSAKA - ZAMBIA c. £17,000 + House and other benefits

This is an excellent opportunity for a capable and resourceful qualified accountant to gain broad commercial experience and responsibility overseas. Our client is a subsidiary of a major multi-national group involved in the importation and distribution of motor vehicles and equipment. Reporting to the General Manager, the Chief Accountant will be completely responsible for the accounting function. There will be considerable involvement in transferring systems from a bureau to an in-house on-line system, financing and exchange control. An initial two-year contract includes an attractive package with terminal bonus and substantial remittance facilities. House and car are provided free. Six weeks' annual leave with fare paid to the U.K.

Applications to R. J. Welsh,

**Reginald Welsh & Partners Limited.**

Accountancy & Executive Recruitment Consultants  
123/4 Newgate Street, London EC1A 7AA Tel: 01-600 8387

**EMPLOYMENT CONDITIONS ABROAD LIMITED**  
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01-637 7604

## FINANCE MANAGER

SRI LANKA

Walkers is one of the largest companies operating in Sri Lanka and is well established in engineering and trading activities.

A Sri Lanka national is required to head the finance function of the company and be a part of the new dynamic top management team.

Applicants should be qualified Chartered Accountants with experience of independently managing the finance functions of a large establishment and should be around 40 years of age. He should be able to control the company's finances, effectively liaise with our bankers, implement new systems and motivate a large number of personnel. This is a senior position in the company, reporting directly to the Chief Executive.

Salary and fringe benefits will be very attractive and will include a company car.

Applications will be treated in strict confidence and should be sent with full career and personal details (including telephone number) to:

Box A7705, Financial Times  
10 Cannon Street, EC4P 4BY

## INTERNATIONAL MONEY BROKING FIRM BASED IN PARIS

is looking for its international division for an efficient and experienced

## Deposit Dealer in Euro Currencies

Please send cv to:

CENTRE DE PSYCHOLOGIE ET D'EFFICIENCE  
17, rue des Acacias, 75017 Paris  
mentioning Ref: 1384

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For further details write to:

Classified Advertisement Manager

Financial Times, 10, Cannon Street, EC4P 4BY

## APPOINTMENTS

### Finance director for Whitbreads

Mr Lionel Ross is to join the board of WHITBREAD AND COMPANY, as finance director on April 1 when Mr Andrew McQuillan retires. Mr Ross joins Whitbread from Allied Suppliers (Holdings) formerly Cavenham, where he has been finance director since 1968.

Mr Eric Meldrum has been appointed chairman of BARTON CONDUITS, Walsall, and Mr John Moore has been appointed, as man of both Barton Abrasives, Wolverhampton, and Barton Aluminium Foundries, Birmingham. Both Mr Meldrum and Mr Moore are directors of Barton Group, and their appointments follow the retirement of Mr Graham Sheldon from the group board.

Mr Laurence Kelly has been appointed a part-time member of the MONOPOLIES AND MERGERS COMMISSION. Professor K. D. George has been re-appointed for a further three-year period from January 15. Mr Kelly is deputy chairman of Helical Bar. Professor George has been Professor of Economics at University College Cardiff since 1973.

Mr Michael E. Marx has been appointed financial director of HERON CORPORATION. He was formerly a partner in H. W. Fisher and Co., one of the company's joint auditors. Mr Alan J. Goldman who has been financial director since 1974, will be assuming wider responsibilities and remains a director of Heron Corporation and financial director of Heron International, the Group's holding company.

Mr C. W. Sparrow has retired from the board of DANISH BACON CO. and Mr D. K. Hughes has joined the board.

Mr David J. Wood has been appointed to the board of J. ROTHSCILD & CO.

Mr W. Ford has been appointed a director of BROWN & TAWSE. Mr E. Hartley has been appointed a director of Brown and Tawse Tubes.

Mr K. E. Cunningham has resigned as a director and secretary of OIL AND ASSOCIATED INVESTMENT TRUST.

Mr V. C. Robertson has been appointed a member of the board of the COMMONWEALTH DEVELOPMENT CORPORATION, for three years, from January 1. He was managing director of Hunting Technical Services until 1977.

Mr J. H. Wilson has been appointed finance director of TRAVIS & ARNOLD. He succeeds Mr F. Garnett who is retiring.

Mr T. W. Stafford who joined the Society as a junior office boy in 1927, has been appointed chairman of SUNDELLAND AND SEELDS BUILDING SOCIETY. He succeeds Mr A. G. McElean who will continue to serve on the board.

Mr John Eaton has been appointed director of business development by DYNAROD.

HILTON ADVERTISING (MIDLANDS) has promoted Mr Barry Arnold, formerly executive director, to managing director.

Mr K. A. Carter has been appointed chairman of SEDGWICK AVIATION in succession to Mr A. Parry who has retired. Mr Carter will continue as chairman of Sedgwick Cargo. Mr J. H. Shapiro has been appointed a director of Sedgwick Marine.

Mr S. Hanratty has been appointed managing director of SCANGLO INTERNATIONAL. The member of the Myson Group. Mr J. Conellan has been appointed works manager.

Mr Keith G. Hancox has been appointed managing director of GEORGE COHEN MACHINERY TRUST. He was formerly partner in the Birmingham office of Robson Rhodes, chartered accountants.

BRITISH CALEDONIAN HELICOPTERS has appointed Captain Robert M. MacLeod to the new post of managing director. He joins from BP Exploration and Production where he is services operations manager, based at Dyce Airport, Aberdeen. He will continue to work at Dyce Airport.

Mr Geoffrey W. Cross has been appointed financial director of LONDON AND LIVERPOOL TRUST. He was formerly partner in the Birmingham office of Robson Rhodes, chartered accountants.

Mr P. J. van de Pol has been appointed managing director of INDUSTRIAL AND MERCANTILE CREDIT INSURANCE and a director of Jardine, Claville (UK) following the retirement of Mr J. W. Vickers. Mr Michael Gerrish remains chairman of Industrial and Mercantile Credit Insurance. Mr R. L. Allen has been appointed chairman of Industrial and Mercantile Credit Management and Mr J. S. O'Brien has been appointed managing director.

Mr Alan Morgan has been promoted to vice-president, FIDELITY BANK. He is manager of the bank's London money market center. Appointed operations officer were Mr David Longden and Ms Susan Pocock. They serve as documentary credits loan administration supervisors.

Mr A. G. L. Alexander has been elected chairman of BEREC GROUP following his appointment to the board. Mr D. J. Snowden also became a director. Mr C. G. Stapleton remains managing director of the company.

Mr James Stevenson, of Balfour Beatty, is to be the next vice-chairman of the FEDERATION

OF CIVIL ENGINEERING CONTRACTORS. He will take office on May 11 when Mr Philip Beck, of Mowlem, becomes chairman.

Three directors have been appointed to the board of URWICK, ORR & PARTNERS (UK). Mr W. G. White becomes director of operations in Scotland; Mr R. G. Gilbert, responsible for liaison with financial institutions in the City; and Mr E. Duncanson, engineering organisations in Southern England.

Mr Thomas M. Saude has been appointed managing director, ELIZABETH ARDEN, UK. He will replace Mr Pierre de Champfleury, who is leaving Elizabeth Arden to pursue his career outside the cosmetics industry.

Two assistant general managers have been appointed at the UNITED BANK OF KUWAIT. They are Mr Andrew Ripley, formerly a senior financial consultant with the Stafford Research Institute, and Mr Ralph Hilbert from Larpent, Newton & Co, development finance company, Cardiff since 1973.

Mr Gareth Jones has joined REDLAND as group treasurer. He was with Conoco as treasurer.

Mr J. W. Fraser, Mr M. T. Coulton and Mr T. R. Bruce have been appointed directors of LESLIE LANGTON HOLDINGS. Mr A. E. Clare, Mr R. W. Clifford and Mr R. E. Pearson have been appointed directors of Langton Underwriting Agents.

Mr Stephen Brandon and Mr Michael Mire have been elected principals in the London office of MCKINSEY & CO.

Mr Bruce Alvis, who joined the LONDON TOBACCO COMPANY as production manager when it was set up 16 months ago, has been appointed to the main board.

SCIENTIFIC AMERICAN has appointed Mr Roy Edwards as UK sales director.

Mr A. Cheetham, group managing director of Stothert and Pitt, has been elected president of the FEDERATION OF MANUFACTURERS OF CONSTRUCTION EQUIPMENT AND CRANES. Mr K. J. Parker, chairman, Frederick Parkes Group, has been appointed deputy president and Mr V. Canham, home sales director, Colas Cranes, was appointed vice president.

Mr Terry Wright has been elected to the board of VERMONT RESIN & LEATHERS as technical director.

NORTH AMERICAN REALTY & INVESTMENT CORPORATION has appointed Mr Melyva Lux as managing director and Mr Alan M. Sloan as financial director. The company act as sole agent in the UK for Texas real estate developers - Spring Creek Investments of Dallas Inc.

The engineering division of DAN-AIR SERVICES, part of the Davies and Newman group, has re-organised its senior management under Mr E. T. Evans, managing director. Mr Ron Smith becomes deputy managing director (presiding engineering director); Mr Len Crookford (technical director); Mr Guy Ruffie (production director); Mr Guy Ruffie (engineering manager, Manchester); and Mr Michael Ellis (commercial director (commercial manager)).

BRITISH FERMENTATION PRODUCTS has appointed Mr John Rawstorn to the board. The company is the UK operating subsidiary of Gist Brocades, Delft, Holland.

Mr Steve Smith has been appointed managing director of WILLIAM MORRIS AGENCY (UK).

Mr Richard A. Bailey, previously managing director of Lily Industries and UK vice president of LILLY INTERNATIONAL CORPORATION, has been appointed vice president for Europe, with responsibility for Benelux, France, Germany, Italy and for the European office in London. He will remain a member of the board of Lily Industries Limited. The new managing director is Mr Gary J. Clark, who relinquishes his position as director of international business planning, Lily International Corporation.

Mr William E. White has been appointed to vice president, based in London, will be responsible for those areas of Europe, the Middle East, Africa which are managed by Lily's offices in Rome, Copenhagen and Vienna.

Mr M. W. Brackenreed-Johnston has been appointed chairman and Mr V. L. A. Gomes Couto, managing director of the new separate division of JARDINE CLAVILLE. Mr Brackenreed-Johnston has been appointed to the board of Jardine Claville.

Mr D. C. Linton and Mr M. F. Hicks will be joining the partnership of FRANK H. STATHAM AND SON, stockbrokers, on January 11.

AL CHANDLER HAGREAVES WHITTALL AND COMPANY, Mr Michael Beck and Mr Frederick Marsh join the board. Mr Nicholas Talbot-Smith and Mr Peter Trend become departmental directors, and from January 1, 1982 Mr Richard Arthur, Mr Ronald Bryce and Mr Kevin Dawson become assistant directors.

Three divisional managing directors, Mr C. G. Burton, Mr P. S. Candy and Mr J. Pasfield, together with Mr H. Mercer and Mr J. Smith have been appointed to the board of CLIFFORD'S DAIRIES.

**ROYWEST TRUST CORPORATION LIMITED**

**PORTFOLIO MANAGEMENT - BAHAMAS**

The RoyWest Trust Group requires a Portfolio Manager for its Investment Department in Nassau. After a period of orientation, the candidate will become responsible for the management of individual trust and discretionary portfolios.

Probably a graduate in economics or business finance, the candidate will have at least five years' experience in portfolio management, preferably in the international area, and be able to operate independently.

The post to be filled offers an attractive tax-free compensation package which includes allowances and annual return air fares for the officer and dependants, pension plan, and medical, life and salary continuance insurance coverage.

Preliminary interviews will be carried out in London and interested applicants should forward a full resume of education and experience, which will be treated in the strictest confidence, to the Managing Director, RoyWest Trust Corporation S.A. Lausanne, P.O. Box 120, 1000 Lausanne 13, Switzerland.

The RoyWest Group is associated with National Westminster Bank Limited and the Royal Bank of Canada

**EAL SENIOR FUND MANAGER**

Japanese Market

Hong Kong Base £25,000++

Following an internal promotion, Wardley Investment Services seeks a senior Fund Manager with at least 5 years in-depth experience of the Japanese equity market. Candidates must have good analytical skills, the ability to develop client relationships at the highest level, and early Board potential.

The successful candidate will run the important Japanese Department with real autonomy and strong supporting team as part of a fast growing operation with very substantial funds under management. The attractive package includes free accommodation, flexible house loan scheme, provident fund and profit sharing. (WV/794)

Candidates male or female should write briefly and in confidence to the Managing Director, Executive Appointments Limited, 18 Grosvenor Street, London W1, quoting reference. No identities divulged without permission.

**Our New Year assignments include:-**

**BERMUDA:** Qualified Accountants for Creative Insurance Management. (Insurance experience not essential). \$28,500 tax free. Ref. L1884

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مكتبة النور



BUSINESS LAW

Swiss banks' hidden write-offs

By A. H. HERMANN, Legal Correspondent

SPENDING THE New Year in Switzerland, one could not avoid being asked whether, according to the Financial Times' crystal ball, the Swiss banks would pay the Polish debts... and asking in return what would the Swiss banks do if they did not. Not that these questions would generate any great flow of information either way. The Swiss banks do not say how much they have lent to the Poles. But some, I was told, have already written off the Polish debts without showing this in their balance sheets. If they indeed did that, they forestalled the Swiss Banking Commission's latest move towards a greater transparency of banking accounts. They can one write-off a bad debt, say, SwFr 1bn without unduly alarming shareholders and depositors? The answer is: by secret deployment of secret reserves. The secret reserves are created, of course, by accounting assets at their historical value. For example, gold bought in the good old days at U.S.\$100 per ounce is still accounted for at that price. When the need comes—that is, when the bank or one of its debtors blunders—the gold is sold, or perhaps only revalued by a bed-and-breakfast operation, at the present price. The resulting profit is used to make up the loss and neither the profit nor the loss appears in the published accounts. There is a theory abroad in Zurich that banks are in the business of making both profits and losses but that the sleep of the simple-minded depositors should not be disturbed by letting them know about the second. This happy state of affairs received the seal of legality by the notorious Circular No 4 issued by the Swiss Banking Commission on December 4, 1975. Like any other country's company law, the Swiss prohibits hidden offsets of expenditure by revenue but the circular states: "An exception from the prohibition of offsets can be allowed only for the purpose of covering losses and creating reserves for risks of all sorts. . . It is our view that banks, in the same way as other enterprises, may use secret reserves as well as current revenue to offset losses." The circulars of the Swiss Banking Commission are not law but come very close to it. The Commission expects any bank that would not accept its ruling to notify the Commission. In such a case it would address to the recalcitrant bank a deci-

challenged in courts, or challenged and upheld, the unthinkable may yet happen. The Swiss banks may actually have to reveal their losses including those in Poland, if any, if not already written off under the old rule. After the Chiasso scandal, when Credit Suisse was drained by a couple of crooks to the tune of \$40m, and a series of smaller mishaps which occurred recently—of which the unfortunate silver speculation of the Swiss Volksbank is the most prominent—there is considerable pressure from public opinion that some light about current affairs should be allowed to pass through the banking accounts. It is pointed out that in the case of the Volksbank not even top accountants could divine from the accounts that the bank had used already, in 1980, SwFr 72m to cover its silver losses and would need for this purpose another SwFr 67m in 1981. In addition to secret reserves, the fiduciary operations which play an important role in the business of Swiss banks of international standing, also contribute an element of uncertainty. In theory, the client entrusts his assets for fiduciary management to a portfolio of his own risk. In practice, the banks can, and do from time to time, get involved in claims for mismanagement or overstepping of the client's instructions and handicap is another equally consistent sort in Sea Captain. With benefit of a recent outing at Krypton, where he showed up well for a long way in the Pond Handicap, behind him, Sea Captain may just have the edge over Special Cargo, in a race in which the remaining three, Earthstopper, Laeken and Abo cannot be ruled out. Master Andrew, a fair third at Hexham on his hurdling debut last autumn, produced by far his best form to date in beating Lord North at Warwick early last month and it will be disappointing if he cannot follow up. The Tote reports backing for only Donegal Prince and Bee Sting after opening a book on their two-and-a-half mile Tote Northern Hurdle at Haydock on Saturday. Their other prices read: 8-1 Cornering, 10-1 Baron Blakeney, 10-1 Galway Blaze and Hadajar, 12-1 bar. LINGFIELD 1.00—Ron's Beau 2.50—Holmeor Star\*\* 2.50—Sea Captain\*\* 3.50—Master Andrew\*\*

RACING

By Dominic Wigan

THE QUEEN MOTHER, whose racing fortunes have sadly been on a decline for several seasons now, is likely to be more anxious than most that today's Lingfield card can be given the go ahead. In the afternoon's feature chase there, the three miles Weald Handicap, Special Cargo is due to carry her colours while in the closing division of the Horley Novices' Hurdle she has Master Andrew (a present from the Jockey Club) bidding to complete a double. Special Cargo, easily the Queen Mother's most consistent performer last season, when he finished in the frame on all his seven appearances, has not been seen at this season and there must be a question mark against his fitness. However, it is probably a small one. Ten pounds below him in the

LONDON

TELEVISION

BBC 1

- 11.20 am King of the Rocket Men. 11.40 The Hardy Boys and the Nancy Drew Mysteries. 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 King Rollé. 1.50 Stop-Gap. 2.00 Tennis: The Barratt World Doubles Championship from Birmingham. 3.54 Regional News for Greater London. 4.55 Play School. 5.00 Laurel and Hardy cartoon. 5.25 Jackanory. 6.40 Huckleberry Finn and His Friends. 6.55 Newsworld. 8.10 Blue Peter. 8.40 News. 8.60 Nationwide (London and South-East only). 8.25 Nationwide. 7.00 Tomorrow's World. 7.25 Top of the Pops. 8.00 Wildlife on One. 8.30 Seconds Out starring Robert Lindsay, Lee Montague and Ken Jones. 9.00 News. 9.25 Shoestring: First of ten programmes starring Trevor Eve. 10.30 Tennis: The Barratt World Doubles Championship—highlights of this evening's play. 11.25 News Headlines. 11.30 Now Get Out Of That.

Chris Dunkley: Tonight's Choice

In all the world no group of men seem to me so astoundingly brave, extraordinarily altruistic, or wholly admirable as Britain's volunteer lifeboatmen. When younger, reading about the exploits of their Victorian forebears made me cry, and this winter the tragedy of the Penice boat is surely enough to make anybody cry. How gratifying then to find BBC2 launching a six-part drama series called Ennals's Point which has the lives of a lifeboat crew at its centre. But how ominous to find it scheduled for 6.30 and the producer quoted as saying that what it is not is "an action-packed adventure series about fearless men braving the elements against terrible odds." Why not? The BBC cannot surely, have sunk so low as to use a lifeboat in the same way as you might use a motor or haulage firm as the excuse for a soap opera? What a dreadful thought, we shall know tonight. That is followed by the News Summary and then a programme for all those readers, listeners and viewers who write so assiduously to journalists whenever a word is—in their view—misused: The English Language. It tells the story of the origins and developments of the language from obscure beginnings in the Low Countries.

BBC 2

- 11.00 am Play School. 12.00-1.15 pm Open University. 3.50 Tennis: Barratt World Doubles Championship. 5.40 All Creatures Great and Small. 6.30 Ennals's Point. 7.20 News Summary. 7.25 The English Language. 8.15 One Hundred Great Paintings. 8.25 Maestro. 9.00 Russell Harty. 9.55 Dancing Girls. 10.45 Newsnight. 11.30 The Old Grey Whistle Test.

- 9.30 am Schools Programmes. 11.00 Young Ramsay. 11.50 The Bubbles. 12.00 Little Blue. 12.10 pm Get Up and Go! 12.30 The Sullivans starring Paul Cronin and Lorraine Bayly. 1.00 News, plus RT Index. 1.20 Thames News with Robin Houston. 1.30 Take the High Road. 2.00 After Noon Plus presented by Judith Chalmers and Trevor Hyett. 2.45 Love Among the Artists. 3.45 Three Little Words. 4.15 Dangermouse. 4.30 Little House on the Prairie. 5.15 Take the Stage. 5.45 News. 6.00 Thames News with Andrew Gardner and Rita Carter. 6.30 Thames Sport. 7.00 "Ryan's Daughter" starring Robert Mitchum, Sarah Miles, Trevor Howard and Christopher Jones. 9.00 News. 9.30 "Ryan's Daughter" (continued). 11.15 The Monte Carlo Show: Patrick Wayne introduces guest stars David Essex and Debbie Boone. 12.10 am What the Papers Say. 12.25 Close: Sit Up and Listen Listen with Steve Race. Indicates programme in black and white.

- All-IRA Regions as London except at the following times: 11.00 am Joe 90. 11.25 Post Masters. 1.20 pm Anglia News. 2.00 Not For Women Only. 4.30 Vicky the Viking. 4.45 The Further Adventures of Oliver Twist. 5.15 Abbey Words and Music. 6.00 About Anglia. 6.30 Arena. 6.35 Crossroads. 7.25 The Medicine Men. 11.45 Hagen. 12.40 am The Council in Question. BORDER 11.00 am Larry the Lamb. 11.10 Little House on the Prairie. 1.20 pm Border News. 4.45 The Further Adventures of Oliver Twist. Thursday. 6.35 Crossroads. 7.15 The Medicine Men. 11.45 Border News Summary. CENTRAL 11.00 am Vikings of the Sunrise. 11.50 European Folk Tales. 12.30 pm A New Kind of Family. 1.30 Central News. 4.30 Five Weeks in a Balloon. 5.35 Hagen's Room. 8.00 Crossroads. 8.25 Central News. 11.14 The Medicine Men. 11.45 Central News. 11.50 Dear Detective. CHANNEL 1.20 pm Channel Lunchtime News. What's On Where and Weather. 8.25 Crossroads. 6.00 Channel Report. 6.35

- What's On Where. 6.40 Take Tuckerman. 8.25 Channel Lunchtime News. 11.15 The Medicine Men. 11.45 The Jazz. 11.55 The Jazz. 12.05 am News and Weather in French. GRAMPIAN 9.25 am First Things. 11.00 Sesame Street. 1.20 pm North News. 4.20 The Flying Kite. 4.45 Sport Billy. 5.15 The New Fred and Barney Show. 6.00 North Tonight. 6.30 Police News. 6.35 Crossroads. 11.15 The Medicine Men. 11.45 Seacht Lathair. 12.00 Late Call. 12.05 am Barney Miller. SCOTTISH 11.00 am Coriol World. 11.30 Adventures of Paraly. 1.20 pm Scottish News. Headlines and Road and Weather Report. 1.50 Money-On-Round. 4.20 Palmerston U.S.A. 5.15 Pat Subject. 5.20 Crossroads. 6.00 Scotland Today. 6.20 Bedtime. 6.30 Take the High Road. 11.15 The Medicine Men. 11.45 Seacht Lathair. 12.00 Late Call. 12.05 am Barney Miller. TSW 11.00 am The Eruption of Mount St Helens. 11.25 Target the Impossible. 11.55 Watton Watton. 1.20 pm TSW News. Headlines. 5.15 Gas Honeybun's Magic Birthdays. 5.20 Crossroads. 6.00 Today South-West. 6.20 Tele-Views. 6.40 Take Tuckerman. 11.15 The Medicine Men. 11.45 The Jazz. 11.55 The Jazz. 12.05 am News and Weather in French. ULSTER 1.20 pm Lunchtime. 4.13 Ulster News. 4.22 The Adventures of Black Beauty. 4.50 The Flying Kite. 5.15 Good News of the Week. 5.30 Good Evening Ulster. 8.00 Good Evening Ulster. 8.25 Police Six. 8.35 Crossroads. 9.20 Ulster Weather. 11.15 The Medicine Men. 11.45 Bedtime. YORKSHIRE 11.00 am Thunderbirds. 11.55 Watton Watton. 1.20 pm Channel News. 4.20 Sport Billy. 4.45 Little House on the Prairie. 6.00 Calendar (Emley Moor and Belmont editions). 6.25 Crossroads. 11.15 The Medicine Men. 11.45 Ladies' Man. Morning Show. 11.00 News. 11.05 Rastafari: Black Redeemer. 11.50 Enquire Within. 12.00 News. 12.02 pm You and Yours. 12.27 Never Too Late (S). 12.55 Weather: programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Afternoon Theatre. 4.00 Home Base. 4.15 Bookshelf. 4.45 Story Time. 5.00 PM: News Magazine. 5.50 Shipping Forecast. 5.55 Weather: programme news. 6.00 News, including Financial Report. 6.30 Any Answers? 6.55 It's a Bargain. 7.00 News. 7.05 The Archers. 7.20 Handel: "Messiah" concert: part 1 (S). 8.20 The Hallelujah Impact (talk by Maurice Lindsay). 8.40 "Messiah": part 2 and 3 (S). 10.19 Weather. 10.20 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.20 Mrs. Eadie's Surrey Garden. 12.00 News.

- (S) Stereophonic broadcast. Medium Wave RADIO 1 5.00 am/48 Radio 2 7.00 Mils Road. 8.30 Sinton Britain. 11.30 Dave Lea. 12.15. 2.00 pm Pappi Burnett. 3.30 Steve Wright. 5.00 Peter Powell. 7.00 The Hoopard Productions. 8.30 Richard Birkner. 10.00-12.00 John Peel (S). RADIO 2 6.00 am Steve Jones (S). 7.30 Terry Wogan (S). 9.30 Jimmy Young (S). 12.00 John Dunn (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News. Sport. 6.00 David Symonds with Mocha Mocha Music (S). 6.00 Country Club (S). 6.40 Aim Dell with the J.R. Band Sound. (S). 7.00 The Spinners and Ernie. 8.30 Star Sound Extra. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' Hour (S).

- 2.00-5.00 You and the Night and the Music (S). 6.55 am Weather. 7.00 News. 7.05 Morning Concert (S). 8.00 News. 8.05 Morning Concert (continued). 9.00 News. 9.05 This Week's Composer: Mendelssohn (S). 10.00 London Concertina (S). 10.45 Mozart, Brahms and Liszt piano recital (S). 11.25 BBC Symphony Orchestra in Hull (S). 1.00 pm News. 1.05 British Lullabies Concert. (S). 2.30 La Rele Mignone Lal. Opera-comique in three acts by Chabrier (sung in French) (S). 4.55 5.00. Mainly For Pleasure (S). 7.00 Prokofiev violin and piano recital (S). 7.30 "The Athlete": Comedy by Thomas Orway, adapted for radio by Peter Barnes (S). 8.15 Academy of Ancient Music (S). 9.40 Words. 9.45 The Innocent Ear (S). 10.30 Beethoven (fourth of six readings). 11.00 News. 11.05-11.15 A-Sonata for Children (S). RADIO 4 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today. 6.45 The Widow by Georgia Simenon. 9.00 News. 9.05 Treasures and Trifles. 9.30 The Spring World. 10.00 News. 10.05 A Stroke of the Pen. 10.30 Daily Service. 10.45

RADIO

"Carl Miller wants to build airplanes for us when he grows up."



Study hard, Carl, and your dream will come true."

Fete Conrad Former Astronaut Senior Vice-President Douglas Aircraft Company

Torrow fuel efficiency, weight saving wings—Becoming a wing—for our new Super 100



"I built model planes when I was a youngster, including 'DC' airplanes McDonnell Douglas built nearly fifty years ago. My enthusiasm for flying—and for flying machines—has been growing ever since. "The dreams of youth are the same as I once had—they want to fly, to be a part of flying. The commercial heritage at McDonnell Douglas is older than I am. For fifty years we've been building commercial aircraft. Our famous tradename 'DC' means 'airliner' to millions throughout the world. Today's DC-9s and DC-10s will be followed by new planes to help carry the people of the world as we progress toward a century of building air transports. "So keep painting our name on the models you build, Carl. And we'll keep building new models to make air travel safer, quieter, swifter and more pleasant—planes for young people like you to build dreams on."





THE MARKETING SCENE

The year ahead: grim in whole, or just in parts?

Why marketers must hunt for value

WHAT WITH phantom meteors over Nottingham, and the seasonal reappearance of the ugly-nudge, suggestive-digestive, type of telly commercial so beloved of the holiday trade, it might be thought that the UK advertising business had offered such a creative blow-out over Christmas that it was due to face the New Year. That is by no means so, for while 1982 is likely to be grim in parts for the marketing fraternity, the broad-scale view is that by the second half of the year, advertising expenditure will be bubbling nicely in readiness for the consumer boom confidently expected in 1983.

Even the Advertising Association, a body noted for prudence when it comes to forecasting, recently frisked up its heels and announced that from the second half of this year, the outlook was grand.

First, it revised its sums so as to project a cash gain in total advertising expenditure (display plus classified) last year of 10 per cent—an anticipated fall, in real terms, of only 2 per cent, which a gain will have taken the advertising total to around 2.5bn.

Second, it said that advertising expenditures looked set for a return to real growth from the second half of 1982.

Finally, it predicted a "best-ever" for advertising in 1983, with display expenditure reaching an all-time high in next year's third quarter.

In the AA's view, total advertising expenditure this year is likely to increase by 14 per cent, while expenditure next year will rise by an estimated 5 per cent—anticipated gains, in real terms, of 3 and 5 per cent respectively, which ought to be good news for agencies and good news for the media.

But not for manufacturers of second- and third-rank brands struggling to keep up.

This is not a universally-held view of possible developments. For example, the Henley Centre for Forecasting said this week that it had become convinced that the depression in consumer spending that it expects would be "deflation of the advertising bubble" in 1982, and that it was possible that the never-had-it-so-good days were rolling to an end. (Quite what this meant, but it was impossible to be sure, but Henley did go on to warn that he communications industry should at least prepare itself for harder times.)

At the J. Walter Thompson agency, chairman Jeremy Bull-

Campaign's Top 20 UK Agencies				
Agency	1981 billings (£m)	1980 billings (£m)	% gain (fall), 1981 on 1980	Staff (previous year)
1 Saatchi and Saatchi†	101.20	83.00	21.9	540 (530)
2 J. Walter Thompson†	96.10	82.50	16.5	500 (511)
3 D'Arcy-MacDonams and Masius	88.00	75.00	17.3	454 (449)
4 McCann-Erickson	76.54	74.97	2.1	415 (436)
5 Ogilvy and Mather	71.40	61.20	16.6	339 (378)
6 Collett Dickenson Pearce	60.69	61.61	(1.5)	237 (271)
7 Foote Cone and Belding†	56.00	45.00	24.4	291 (282)
8 Young and Rubicam	52.36	46.41	12.8	301 (315)
9 Allen Brady and Marsh	50.32	39.12	28.6	304 (253)
10 Dorland	46.80	38.00	23.1	260 (250)
11 Ted Bates	43.61	38.64	12.6	224 (237)
12 Leo Burnett	42.90	38.40	11.7	235 (235)
13 Boase Massimi Pollitt	39.20	32.20	21.0	192 (190)
14 Geers Gross†	34.00	24.00	41.7	125 (102)
15 Lintas London	33.50	31.20	7.4	183 (182)
16 Benton and Bowles	33.42	26.99	18.3	211 (206)
17 Wasey Campbell-Ewald	33.20	25.20	(5.7)	202 (234)
18 Doyle Dane Bernbach	31.25	27.05	15.5	169 (177)
19 Grey Advertising†	30.42	22.10	37.6	136 (117)
20 Davidson Pearce	30.00	28.00	7.1	167 (162)

† Notes: Saatchi: London billing only; Manchester not supplied. JWT: London only; Manchester reported separately. FCB: Includes Park Advertising and Walbeck Pl. Geers Gross: Includes Geers Gross West, formerly Brown's. Grey: Includes Leon Lerner, bought August 1981 (1980 billing: £14m), plus Grey's Glasgow.

more, who is also chairman of the Advertising Association, says that "the crucial factor is whether there's going to be any deflation. That is bound to influence events from the second half of this year—though not before then, and maybe not even then."

"The second factor will be last year's profits levels. If advertisers simply haven't got the money, they are bound to delay their return to more aggressive spending levels, whatever they think of advertising's worth."

"And their profits, let it be said, will depend on whether they're not their total market. It's right: whether they're selling the right product in the right place at the right price."

As for agencies, says Mr Bullmore, they are increasingly going to find that the need to secure some indication of advertising's value and return on investment is becoming more acute.

Had the end of fixed agency commissions produced a blood-bath of price-cutting? "I am far from certain," says Mr Bullmore, "as to how much of this is going on. After all, some



Jeremy Bullmore, chairman of JWT: "Advertisers must decide exactly what it is they want."

advertisers see their agency as an overt extension of their marketing department, and are happy to pay for whatever services are rendered. Others just want advertisements—not marketing advice. An advertiser has got to decide exactly what it is he wants."

At Young and Rubicam, vice-chairman Michael Townsin says he is generally optimistic, and

that there are "no signs that 1982 will be in any way different to 1981, which was a pretty good year for advertising."

At Leo Burnett, however, chairman Dennis Barham says he is "fairly pessimistic for the economy as a whole, while the signs for advertising are that it will be just as tight a year as last."

That hardly worries him, for Burnett's already has £15m worth of new business in the pipeline for 1982, which means Burnett's is already looking at current year billings of more than £80m. It has 27 clients, every one of whom pays a full 15 per cent commission.

That Burnett's has so much new business already in the pipeline is one of many factors to be borne in mind when studying the new Campaign agency tables, published today, for they are strewn with pitfalls.

That this should be so is exclusively the fault of agencies. Some of them pile all sorts of PR and design and other fringe earnings into their figures.

Others simply lie. But if the figures for the Top 20 reveal anything—as indeed

they do—it is the depth of the trouble into which Interpublic has sunk in Britain.

Interpublic is the world's biggest advertising concern, and can derive no joy from the combined performance of its three London shops: McCann-Erickson, Wasey Campbell-Ewald, and Lintas.

Lintas is the most stable of the three, though its billings growth last year, at 7.4 per cent, was only half that of the Top 20 shops combined, whose total billings rose from a claimed £914m in 1980 to £1,050m (+14.9 per cent).

As for Wasey's and McCann, the fault seems to lie not so much in London as at Interpublic, in New York, which seems to operate miles up, with its head stuck in the clouds.

Between them, Wasey's and McCann shed 72 staff last year, but then member agencies of the Institute of Practitioners in Advertising shed a total of 850 during the year. The total employed in IPA agencies is now 14,700, a 5 per cent fall on 1980, which means the total is back to its 1978 level. Most of the losses occurred in London, where numbers employed fell by 800 to 10,800. Nearly half the losses were in the IPA's "executive" category.

The most significant feature of the agency year was the marked success of the new-breed shops, which not only blacked the eyes of much bigger, American-owned, rivals, but made reputations for themselves on the creative front.

There are six new-look shops worth watching: Grandfield Rork Collins, whose total billing, including grossed-up fees, is virtually £30m; Wright Collins Rutherford Scott, which has just passed the £20m mark; Legas Delaney, Lowe and Howard-Spink; Gold Greenlees Trot, and Brignull le Bas.

According to estimates by Campaign, a minimum of £227m worth of accounts changed hands last year, which shoots to ribbons the bigger agencies' claim that account moves, in a given period, represent only a tiny fraction of the whole.

According to estimates by Robin Wright, a founder-director of Wright Collins, approximately £60m worth of the accounts that moved went to agencies that did not exist three years ago.

That's showbiz for you.

THE RECESSION-WITHIN-A-RECESSION

Another fall of snow on top of slush and ice?

THE RECESSION, as the Henley Centre for Forecasting remarked this week, is old hat. But in a felicitous turn of phrase, it said that the current pioneer attack on UK real incomes—lower pay settlements and stubborn inflation—was producing what marketers are experiencing as a "recession-within-a-recession"—a further snowfall on top of slush and ice.

Small wonder that Henley, in discussing short-range prospects, is forecasting some marked volume reductions in consumer spending overall, though precisely where the axe will fall is difficult to say.

In Henley's view, consumers are becoming extremely choosy in asserting new and current priorities. "If spending overall declines sharply this winter," it says, "then some sub-sectors and markets will do very badly. One can only speculate, but some markets—possibly for seasonal goods—may simply fail to materialise. Already, syndicated sales data suggests that volume sales may now be declining fairly sharply."

Loss of confidence among some market planners, it says, could prove serious, while

advertising budgets could well be cut.

It makes the point that heavy de-stocking by retailers tended to exaggerate the true declines in consumer spending in 1980, though spending overall was buoyant, while by contrast, modest stock reductions now may be wrongly interpreted, and thus help to understate true cutbacks in High Street spending.

"As yet," it says, "there is little evidence of across-the-board recession mentality among consumers. But as the squeeze on real incomes tightens, against a background of mounting unemployment, recession mentality may quickly emerge in some markets. We would certainly expect this, given our consumer spending forecasts."

In the specific case of food, Henley says that the UK shopping basket has changed in a much more complex fashion than that indicated by preliminary study of the latest generally-available data, the National Food Survey (second quarter, 1981).

In its view, the key trends include: a move towards "cheaper" meats, continued

demand for quality convenience foods, mixed performance of snack foods, a respite for canned foods, buoyancy of frozen foods, more home-baking, and a mixed pattern in dairy products.

In the medium term, Henley says that even with the upturn in business projected for 1983-1984, many features of the current recession will persist.

For instance, it reckons that widely varying rates of price increases across different categories of goods, will persist, so that over a five-year period marked changes in relative costs will appear.

Markets will continue to exhibit considerable change, it says, both in terms of new product launches, and of modification to existing ones.

"Stable" markets, of a kind previously experienced, are a thing of the past. Lifestyles and aspirations are undergoing a sea-change. Merely on grounds of the overall numbers in various age groups, which are set to change considerably, demand cannot remain stable.

Planning Consumer Markets is published quarterly by the Henley Centre for Forecasting, 2 Under Street, London, EC4A 3AA (01-352 8851), £200.

Airtime: IBA issues guide

A GUIDE to "sound and responsible commercial practices" in the area of sale and purchase of television advertising airtime has been published by the Independent Broadcasting Authority.

The aim, it says, is to "clarify areas in which there have been differences of opinion between the advertising business and the television programme contractors."

The IBA makes clear that all ITV companies should make available for purchase—and use their best endeavours to sell—the maximum permitted number of advertising minutes, at published rates.

The companies are warned that they are not to diminish the commercial airtime available so as to harden advertising rates.

Further, the companies are told that "the fact that an advertiser chooses not to participate in an incentive or share scheme should not affect his ability to buy any particular

available airtime at any published rate."

A statement of principles for the sale and purchase of airtime has been agreed by the IBA's advertising liaison committee, formed last year.

Headed by the IBA chairman, Lord Thomson of Monifeth, the committee includes representatives of the Incorporated Society of British Advertisers, the Institute of Practitioners in Advertising, and the Independent Television Companies' Association.

The system of "pre-empt" ratecards—which allows a given advertiser to pre-empt its rivals by bidding more than they have for specified airtime slots—should be operated efficiently and fairly, stresses the committee.

"Subject to availability," it says, "advertisers should have the right to select at what level they enter the pre-empt structure, but this should not preclude contractors from advising on the element of risk foreseen."

"There should be adequate cut-off points to avoid last-minute pre-emption without notice," it says.

The committee warns that advertisers should be allowed maximum possible freedom of cancellation or alteration of advertising schedules.

It also says that advertisers should be given the earliest possible notice of any significant change in terms or conditions, or in the structure of ratecards, and thus an opportunity to express views and to comment.

"Unless there is a particular need for confidentiality," says the committee, "contractors should promptly and regularly supply such information about the medium as will enable judgments to be made of the television airtime market, area by area."

The contractors enjoyed a buoyant year last year, with net advertising revenues of more than £600m. Prospects for 1982 are considered good.

TECHNOLOGY

Micro-package for the military

IT IS one thing to produce the new generation of 16-bit microprocessor, the so-called "supermicro," for use in commercial digital equipment such as Motorola and Texas Instruments exponents—but when the military calls for the same thing, the going gets that much tougher.

These developments, military or civil, are of considerable significance because they mean that the power previously vested in the minicomputer but contained in a box the size of a filing cabinet, can now be drawn from a single printed circuit card card housing a microprocessor no bigger than a large postage stamp.

Maltreatment

In the commercial market place competition is keen to produce low cost versions of shoe-box sized machines that half a dozen people can use at the same time.

In the military market however, the emphasis is different. In particular, the devices have to be able to stand up to physical maltreatment that would be disastrous for most commercial products.

The tiny computers might find themselves aboard a missile, for example, which when launched could produce severe vibration over quite a wide frequency spectrum (due to the rocket motors), possibly in conjunction with very high or very low temper-

atures. While in flight they might have to survive the hard radiation from a defensive nuclear blast. But even before they take off on their one way trip, they will have to remain unaffected by storage for long periods in temperatures that can range from arctic to tropical.

The military also has specific supply requirements: for national security reasons it generally demands that critical components be "home" made.

In the UK, Ferranti is a leading supplier in this specialised semiconductor field and this week has announced its selection by the Ministry of Defence to develop and manufacture a very large scale integrated (VLSI) version of the Military Argus M700/40, to be known as M700/40.

Most of the items, the four special chips for example, are already available: the trick is to bring them together in a hybrid package that will meet all the stringent temperature, shock, vibration and radiation tests laid down by the MoD.

It is expected that the M700/40 will be used in a wide range of MoD and export systems. It has already been adopted for future developments of the British Aerospace Rapier missile system.

The processor itself, employing the four VLSI chips,

will be assembled in a hybrid multi-layer thick film package measuring only 91 x 56mm. It will operate six times faster than its predecessor the M700/20, which was constructed on two printed boards holding 10 dozen integrated circuits.

Evolution

Ferranti believes that advances it has made in bipolar technology, in logic gate design (in which a buffered gate reduces logic swings and improves the speed/power factor), and in the structure of its uncommitted logic array (ULA), have all contributed to the MoD decision.

Basically, these semiconductor technology evolutions mean that high speed devices of microprocessor complexity can be implemented in simple array structures instead of in the complex, high risk custom-designed devices that have previously proved necessary.

The company believes that this dramatically reduces the time, cost and risk associated with such developments, without compromising performance.

Up to now, the high gate speeds needed for military microprocessor design have not been available from ULA (which is basically an arrangement of uncommitted active elements on silicon, connected up to suit the task).

But the new developments mean that speeds previously

only associated with ECL (emitter coupled logic) technology can be obtained, but at "significantly reduced" power dissipation. Typically, gate delay is 2.5 nano-seconds and gate power dissipation 300 microwatts. Thus, maximum dissipation of the M700/40 is six watts from the dual 2.5/5.0 volts supply.

Ferranti is also developing for the Ministry a complete military microcomputer on a card, the M700/41, based on the new hybrid processor.

The computer incorporates a cache memory, a device which tries to predict what might need to be drawn from disc memory, holding the program/data material ready for more rapid use when actually called for. Faster operation results.

Eurobus

Also available is a private memory interface, which allows access to memory in the processor available only to the M700/41 system, giving faster cycle times than any other non-dedicated memory that might be employed over the system bus.

The computer talks to other devices over Eurobus, the MoD-developed data/address highway. Thus, in existing M700 computer systems, the M700/41 can be treated as a plug-in pull-out module during all stages of system development, commissioning and deployment.

Software for pipeline scheduling

A PIECE of computer software designed for the planning and scheduling of oil pipelines has been developed by Scicon Computer Services for Mainline Pipelines, the oil company consortium.

Now it is available on a service bureau basis from Scicon, the computer services arm of BP. It runs at present on an IBM 3033 large mainframe, but the company will rewrite the system to run on a client's own large computer.

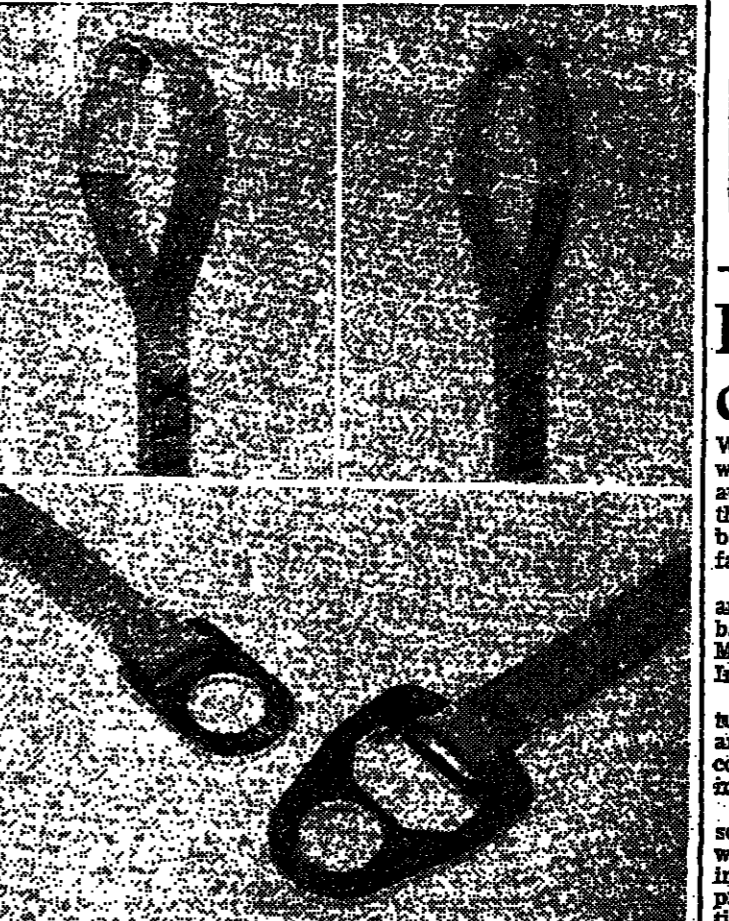
Mainline Pipelines comprises Esso, Amoco, Gulf and Texaco; Esso, the major partner in the consortium, operates the pipeline serving the North West and Midlands from the four Milford Haven refineries operated by the partners.

According to Scicon, oil pipeline planning and scheduling by computer has been tried before and abandoned. It claims its system is the first successful application in the UK.

There are two modules. A planning one which produces a monthly plan estimating product arrival dates at each location to within a day and calculating product order and batch size according to demand at the terminals, inserting keroseene buffers as appropriate.

A scheduling module produces weekly a ten-day schedule showing product arrival to the nearest 15 minutes.

Tony Hill of Scicon will explain the mathematical wonders of the system on 0908 565656.



Lifting slings by Safex

A range of lifting slings with safe working loads from one to 12 tonnes (pictured above) has been introduced by Safex Equipment. The company offers a choice of styles in single and multi-ply and endless slings. Working eyes may be of the flat or becket types. A lead containing tables showing different uses is available from Safex at 12, Commerce Way, Croydon, 01 684 1066.

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Hybrid circuits

WHAT is claimed to be the world's first fully operational automatic production line for thick film hybrid circuits has been installed in Tectonics' new factory at Swindon.

The equipment was designed and constructed by a Weymouth based company, Dek Printing Machines and has Department of Industry support.

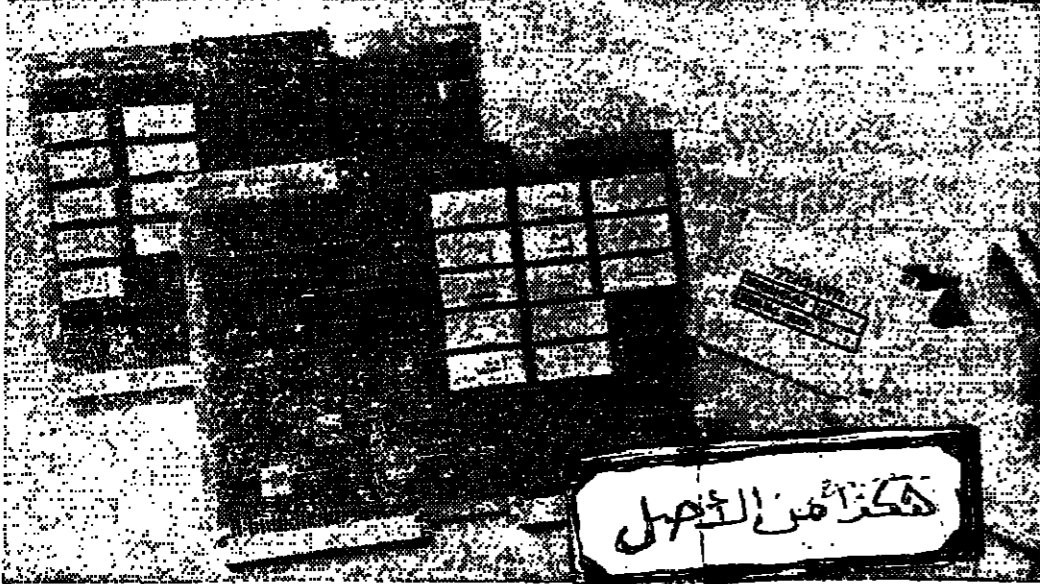
Thick film hybrids are miniature electronic circuits which are easier to produce than silicon chips and have wide use in industry.

They are manufactured by screen printing—a process which is applied to many items including the production of price tags for goods, and putting coloured patterns onto fabrics.

Pastes made with precious metals such as gold, platinum and palladium are used as the printing inks for the circuit layout. These are transferred to the thin ceramic strips which form the base. Resistors can also be produced from other pastes while other electronic components such as capacitors, transistors and silicon chips are bonded to the ceramic.

The Tectonics production line has each ceramic circuit contained within a large magazine, which is mounted on each machine carrying out part of the process. It is simply a matter of moving magazines from one machine to another to complete the processing.

The advantage of hybrid circuit over silicon chips is that they can be made economically without needing high volume production.



The Ferranti VLSI Military Argus M700/40 microprocessor on the right of the picture compared with its forerunner, the twin Double Eurocard implement M700/20.

Safe effluent sampling

ACCURATE AND safe operation even with the most difficult and hazardous of industrial effluents is possible with a design of effluent sampler offered by Warren Jones Engineering of Bicester.

The unit uses no continuous electrical pumping process, but lifts a sample by means of a large diameter piston acting in a glass cylinder, the piston itself driven by an air operated actuator. After material has been drawn in, the piston descends again, evacuating all but a residual, measured sample.

Large bore inlet tubing allows a sample to be taken quickly and, at the end of the cycle the sample is expressed through a piston inlet through a vessel. High pressure purging through a piston inlet cleans the cylinder, inlet tube

Strain gauges

A RANGE of bonded weldable strain gauges from the Hitec Corporation is now being marketed in the UK by Anley Controls 16, Anley Road, London (01-603 4007). The heavy duty gauges incorporate a foil sensor bonded to a stainless steel carrier and are claimed to be especially suitable for use in exposed situations.

From computer to telex

AN INTERFACE unit that can be programmed to allow a variety of makes of computer to be connected to the international telex system has been developed by Data and Control Equipment of Princes Risborough, Bucks (08444 3281).

The software is in modular form, consisting of a 4me module supplied to meet the telex network and PTT regulations for the country of use, and a host module supplied to suit the communications protocol of the computer installation.

Known as AM700, the unit buffers the data sent by the mainframe and then reads it into the telex line at telex speed (6.66 bit/sec). The unit can communicate with the mainframe at speeds between 50 and 9600 bit/sec, and all the necessary code conversion is carried out automatically.

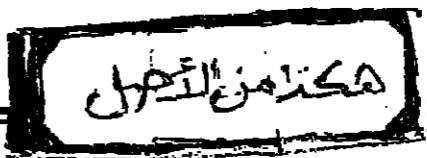
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Theatre in Frankfurt

by RONALD HOLLOWAY



Merle Park as Isadora

The first indication that the Schauspiel Frankfurt's production of Richard III (König Richard der Dritte) was a serious undertaking was the hefty 135-page programme-book...

The idea for revising Anouilh's L'Orchestra at the KammerSpiel Frankfurt was in itself intriguing. The comedy was penned in 1935, but director Bernd Rainer Krieger felt he could draw the most out of a shortened "dream sequence" version...

Result: an exercise in a drama laboratory. But one that aptly fits the dimensions of the KammerSpiel Frankfurt. The poems weave their magic in a Hörspiel context without dramatic appendage to speak of...

The dancing year

Not a good year for dance in Britain; a time of indecision, pussyfooting, having a generally make-shift air, not all done to financial stringencies. It was a year of anniversaries at Covent Garden, with the Royal Ballet celebrating its 50th anniversary...

all his myriad fans could desire in this, the 20th year since he opted for the West. In these two decades he has gained greater fame, has danced more and more venturously, and has provided greater inspiration for public and for dancers...

let me record that it was a year of generous and constant private sponsorship, from Midland Bank's backing, yet again, of a Prom week at Covent Garden, this time exclusively balletic...

Royal Exchange, Manchester

The Round Dance

by MICHAEL COVENEY

An uneasy scramble is under way to throw on productions of Schmitzler's Reigen since the copyright expired on December 31. The play, better known by the title of Max Ophüls' 1950 film, La Ronde, is a catalogue of bloodless sexual encounters in 10 scenes...

Book Review

Elvis under the axe

by Albert Goldman. Allen Lane, 29.95, 598 pages

In recent years there have been two public deaths which made such a tremendous impact that most people, at least those under 45, can vividly remember where they heard the news—the assassination of President Kennedy and the announcement of Elvis Presley's death...

Penelope Keith for Haymarket rep

A fresh attempt to launch a repertory season in the West End is to be made by Triumph Theatre Productions at the Haymarket Theatre...

Choice. Anthony Quayle will direct a cast led by Peter Barkworth. The third play to join the repertory, on June 9, will be Show's Captain Brassbound's Conversion with Penelope Keith playing Lady Cicely Waynflete...

THEATRES

A large section containing theatre listings for various venues such as Adelphi, Apollo, Apollo Victoria, and others, including show titles, dates, and prices.

FINANCIAL TIMES

Financial Times advertisement including contact information for London and Frankfurt offices, and details about advertising rates.

F.T. CROSSWORD

A crossword puzzle grid with clues for both Across and Down directions. The puzzle is titled 'Puzzle No. 4765'.



## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 4BY  
Telegrams: Finantimo, London PSA. Telex: 8854871  
Telephone: 01-248 8000

Thursday January 7 1982

## Reviving the inner cities

FOR SOME years Britain's leading corporations and institutions have been playing an expanding role in trying to stimulate and help smaller companies, particularly in the urban areas. They have had a slow but steady success and one spin-off has been the creation of a number of locally based enterprise agencies. The largest and most influential, the London agency, recently unveiled a package of welcome measures to extend and expand its role in encouraging small business and innovators to start up by advising them and putting them in contact with bankers and supportive larger firms.

## Evidence

This is only one side of the picture. It concerns primarily the private sector and then mainly only the very largest companies which have for some time had a keen sense both of their civic responsibility and of the long-term commercial advantage in an improving rather than deteriorating urban environment for their business operations.

There is a complementary side to the scene. This is the urgent need to find and develop as many ways as possible of harnessing private sector funds in conjunction with public sector monies (from both local and central government), to stimulate further the regeneration of some of the worst of the country's inner city areas. The clear evidence of social instability in these areas makes radical treatment all the more necessary.

This week two groups of people are at work, quite independently, on proposals which could have a profound effect on directing public and private sector money into urban projects.

## Attraction

One is the Treasury team drawing up the options for the Budget due in March. The other is the group of managers from the financial institutions seconded to Mr Michael Heseltine, Environment Secretary, to study inner urban problems after last year's riots.

This group is closeted in Ware, for a week of reflection following a trip to the U.S. and to consider what lessons can be learned and recommended to the Government.

## Reassessment in Mexico

YESTERDAY'S TREAT by Mexico's President Jose Lopez Portillo to introduce domestic petrol rationing smacks faintly of the absurd, coming as it does from the world's fourth largest oil producer.

Yet it underlines in an eye-catching way the problems now being faced by Mexico's expanding economy as a result of the glut in the world oil market.

## Foreign debts

Like other developing countries which have been blessed with large oil deposits Mexico has embarked on a programme of rapid economic expansion over the past few years. In so doing it has fallen into the trap afforded by the oil bonanza of free and inefficient spending on an economy that was not ripe for development at such a pace.

Mexico started out with a larger industrial base than some of these countries, notably Nigeria and Venezuela, but perhaps for this reason, its aspirations were proportionately greater and its economic problems are now all the more conspicuous.

Mexico has become the most heavily indebted nation in the developing world with total foreign debts estimated at some \$84bn. In spite of oil revenues of some \$14bn to \$15bn last year its current account balance of payments deficit was a massive \$10.8bn in 1981.

This is only part of the price that must be paid in any dash for growth. The other is the more delicate political price of reconciling economic reality at the end of the day with ingrained expectations of higher living standards.

**Rationing**  
The threat of petrol rationing reflects this second part of the problem. Even though the domestic petrol price was doubled this month, the state oil monopoly Pemex is still selling petrol in Mexico at a mere \$1 per gallon, a price that is at best barely profitable and one that a company as strapped for cash as Pemex can ill afford.

Yet the latest price increase has already been greeted with considerable dissatisfaction by the population. In much the same way Mexican government officials fear widespread popular resistance to any concerted

measures designed to curb growth, ease inflation (now running at 29 per cent) and reduce the strain on the balance of payments.

For this reason no one could expect Mexico, many of whose citizens still live in conditions of abject poverty, to do any more than tackle the backlash to its economic aspirations in a gradual way.

Already the Government has announced plans to hold public spending unchanged in real terms this year, cutting back oil investment and diverting more resources to agriculture, one of the economy's weakest points. In the process, growth is forecast to slip to below a real rate of 7 per cent this year from 8 per cent last.

**Oil reserves**  
But Mexico is now extremely vulnerable to external economic factors beyond its control. A further drop in world oil prices would impose a still harsher strain on its balance of payments. Any new increase in U.S. interest rates would push up the cost of its borrowing and encourage speculation against the peso that is only being maintained at its present exchange rate level by dint of a fierce domestic monetary squeeze.

There might be a temptation to panic in such circumstances, and following this week's small \$1 drop in Mexico's price for heavy crude oil, there was certainly an element of irrationality in the talk of petrol rationing.

With its oil reserves of about 72bn barrels, Mexico certainly does not merit the status of an economic basket case. In a world anxious for economic growth Mexico, managed with greater economic restraint, still deserves the support of the international banks.

But the \$20bn of gross external financing which Mexico needs in 1982 will be more readily available if the Government maintains a firm and consistent approach to economic readjustment. This means—above all—containing the budget deficit to its targeted level, after a year when it overshoot by a factor of almost two.

SOME CLAMMY pains and nervous twitches can be detected in the finance departments of North Sea oil companies. Having had its bluff called by Sir Geoffrey "Poker Face" Howe, the Chancellor of the Exchequer, the offshore oil industry has been forced to declare its hand over possible tax changes.

The industry, which had long bemoaned the level and complexity of the tax system, was as surprised as anyone when, last spring, Sir Geoffrey suggested that the companies themselves—and anyone else interested—should devise an alternative structure.

Three main sets of proposals have now been submitted; one—a blueprint for radical change—by the Institute for Fiscal Studies and two less-controversial schemes by the industry itself.

The companies must now sit and wait as the Treasury scrutinises the submissions. Sir Geoffrey has promised to lay his own cards on the table in the spring Budget. So far he has given no hint as to whether his review of the tax system will incorporate any of the industry's suggestions. But the companies may be in for a shock.

Through their representative organisations—the UK Offshore Operators Association (UKOOA) and the Association of British Independent Oil Exploration Companies (Brindex)—they have called for a general reduction in the overall level of taxation.

They claim that present taxes will give the Government an average 55.7 per cent share of the profit over the life of the first 25 oil fields developed in the UK sector of the North Sea. At the margin the tax take from a very profitable field can be as much as 90.3 per cent, compared with 76.9 per cent in the 1975-78 period.

So, perhaps not surprisingly, companies have told the Chancellor that the resulting lack of cash could hit future exploration and development projects, render a number of small fields unexploitable, and lead to an early abandonment of several existing commercial discoveries.

But, up to now, Sir Geoffrey has shown no signs that he is impressed with this argument. Indeed, within Whitehall there is a feeling that projects are now being delayed by companies more because of uncertainty arising from the tax review, rather than the severity of the tax system.

In his original invitation to the industry the Chancellor laid down guidelines that modified proposals should produce a broadly similar yield to the present regime. Nothing in Britain's economic position has altered that view. On the contrary, pressures for retaining the present tax levels must be growing.

The build-up of North Sea oil production is progressing more slowly than forecast by the Government a few years ago. The prolonged glut of world oil supplies has put an unexpected brake on oil price rises. There is now growing talk within the

NORTH SEA REVENUES  
The oil tax teaser

By Ray Dafer, Energy Editor



## UK CONTINENTAL SHELF TAX SYSTEM

	1975	1976	1977	1978	1979	1980	1981	Notes
ROYALTY:	12.5	12.5	12.5	12.5	12.5	12.5	12.5	1
SUPPLEMENTARY PETROLEUM DUTY:							20	2
Allowance (per six months)							0.5mt	
PETROLEUM REVENUE TAX:	45	45	45	45	60	70	70	
Oil allowance (per six months)	75	75	75	75	35	35	35	3
Safeguard period	0.5mt	0.5mt	0.5mt	0.5mt	0.25mt	0.25mt	0.25mt	4
Advance payment	U	U	U	U	U	U	15	5
CORPORATION TAX:	52	52	52	52	52	52	52	
Advance Corporation Tax	33/67	35/65	35/65	34/66	33/67	30/70	30/70	7
Interest on overdue tax	9	9	9	9	9	12	12	
MARGINAL TAX TAKE	76.9	76.9	76.9	76.9	83.2	87.4	90.3	

NOTES:  
1 For oil produced under the first four rounds of licences royalty is levied on the wellhead value; subsequently royalty is levied on the tax landed value.  
2 Tonnes; the amount of production exempt from taxation.  
3 Refers to tax allowance for capital expenditure in qualifying investment is uplifted by 75 per cent if spent before the end of 1978.  
4 Tons up to the end of 1978 and tonnes from 1979; the amount of production exempt from taxation.  
5 To protect economically marginal fields, PRT is not charged if the adjusted profit does not exceed 30 per cent of the accumulated capital investment. U = unrestricted; R = restricted (to safeguard and after 180 per cent of the layback period from production start).  
6 Amount of prepayment based on the previous chargeable period or of the previous but one period, whichever is the greater.  
7 Proportion to be paid in advance.

Source: Arthur Andersen and Company and ML Petroleum Services



industry of prices falling in real terms over the next few years. Consequently, the Treasury has had to lower its offshore taxation estimates.

The most recent Treasury forecasts, published at the time of the Budget last March ("Economic Progress Report," No. 131) showed that in spring 1980 the Government was expecting oil and gas revenues in the fiscal year 1980-81 to total \$4.2bn. By November 1980 the forecast for that year had fallen to \$3.8bn. In March, at the end of the fiscal year, the estimate had fallen again—to \$3.84bn.

So far the forecast revenue of \$5.88bn for the current 1981-82 period looks like being achieved, or even slightly exceeded. But this is due in part to last year's depressed value of sterling which inflated the dollar value of North Sea oil production.

The future trend can be gauged from the latest estimates of stockbrokers Wood, Mackenzie which advised the UKOOA on its tax submission. A fortnight ago the brokers showed that under the present tax system North Sea revenues in 1983 (the calendar year) should be no more than \$9.7bn rather than the \$11.3bn forecast by the firm a year ago. Similarly its estimate of 1984 North Sea tax has been reduced from \$14bn to \$12.3bn.

All this leaves the oil companies in a quandary. Their proposals assume that tax rates will be reduced. If the Government decides to accept the industry's recommendations, but then tinkers with them to maintain the overall level of taxation, some companies could find themselves substantially worse off.

As it was, individual com-

panies showed considerable self-restraint in allowing UKOOA and Brindex to be the only representatives of the industry's views. It was felt that the industry would have a better chance of being taken seriously if it showed a unified front.

The fact that all the different companies could find sufficient common ground may be evidence enough that the tax system is in need of an overhaul. It was, after all introduced in 1975 when the oil price was \$12 a barrel, a third of the present level. The structure has been changed repeatedly over the past six years—seven times in one 18-month period—as successive governments have attempted to keep pace with rising prices, changing development conditions and Treasury budgetary requirements. Attempts to remove anomalies have frequently spawned new problems.

Sir Antony Part, former Permanent Secretary of the Departments of Trade and Industry and chairman of the Institute for Fiscal Studies committee which reviewed the tax structure, describes the present system as a "ridiculous" competition. The Government, he says, is striving for an early injection of revenue while the industry is seeking allowances to

equivalent to about 20,000 barrels a day.

Third, the most important revenue-raiser—Petroleum Revenue Tax—is also levied on a field-by-field basis and is assessed on total revenues less royalty payments, Supplementary Petroleum Duty, operating costs and other allowances. At present PRT is calculated at a basic rate of 70 per cent of net revenues.

PRT is the most complicated of the bunch because of the various allowances. For example, companies can set against the tax the cost of exploration and appraisal work in the field; the costs of production, transport, initial treatment and storage of oil; and abortive exploration. A supplement of 35 per cent of exploration and development expenditures can also be set against the tax.

Furthermore, oil companies are provided with an "oil allowance" which gives PRT exemption on 5m tonnes a year of production from each field. And, to protect small or marginally economic fields, there is a safeguard provision which ensures that no PRT is charged on a field earning less than 30 per cent of historic capital costs.

Fourth, companies encounter Corporation Tax, chargeable after the other taxes have taken their bites. This tax is levied at a rate of 52 per cent but unlike the other taxes it applies to the offshore operations of a company rather than an individual field. Companies which operate highly profitable fields, can thus avoid paying the top marginal tax rate of 90.3 per cent by maintaining a programme of new field developments.

The Institute for Fiscal

## COMPOSITION OF NORTH SEA TAX REVENUES

	Royalties	SPD†	PRT‡	Corp. Tax*	Total receipts
1980-81	940	2,420	400	3,840	5,800
1981-82	1,200	1,850	2,210	420	5,880

\* Before any set-off in respect of Advance Corporation Tax. † SPD = Supplementary Petroleum Duty. ‡ PRT = Petroleum Revenue Tax.

Source: "Economic Progress Report No. 131," Treasury, March 1981

## Men &amp; Matters

## Boots feat

Perhaps colourful is the wrong word to describe Boots Hansen, the American oil-well firefighter who yesterday put out the 40ft flames burning since December 21 at Taylor Woodrow Energy's Hatfield Moors drilling site in Yorkshire.

Hansen usually wears white overalls and drives a white Cadillac—a reaction against the 20 years he worked for the famed Red Adair. "I was sick of red," he says.

With another Adair veteran and much-decorated wartime air force officer, Coots Matthews, Hansen set up his own firefighting agency in Houston nearly four years ago.

"We had both worked for Red for a long time but when we asked him for a little piece of the action, he got mad and fired us."

That was shortly after the 55-year-old Hansen had taken part in sealing the North Sea oil field's biggest blow-out on the Ekofisk Bravo platform.



Typical—the only success the Tories can produce is their Minister for Drought!

## Marginal note

Labor will know and love the acronym for "London Interbank Offered Rate," by which Euro-market loans are priced. But Nibor? Well, the word from Wall Street is that ever since the Fed allowed offshore banking into the U.S. in December, the markets were bound to throw up a new interest rate based on market conditions in New York. And first into the act is an enterprising financial

services firm called International Reports Inc., which plans to announce a daily Nibor rate at 11 am New York time, starting Monday.

No Nibor—shouldn't that be Nybor?—it is. Whether it will catch on is another matter. On the one hand, the move can be seen as part of New York's long-running battle to wrest from London the role of the world's leading financial centre. But, on the other hand, the New York offshore rate is almost identical to the Euro-market rate anyway, so why bother? Most bankers, I gather, are far from confident that yet another interest rate is just what the world needs at present.

## Unhappy returns

Somebody somewhere is waiting for a letter from you... But if the addressee is Solidarity, that letter is unlikely to arrive.

The Polish authorities, who have already cut off the country's telephones, have not overlooked the postal service in their attempt to extinguish the free trade union. The International Metalworkers' Federation in Geneva has been sending its monthly bulletin to the union's regional offices, and have passed on to me some of the batch sent out on December 9—three days before martial law was imposed.

"Not claimed," reads the rubber-stamped endorsement on one of the returned envelopes; "not known," says another; "no longer exists" reads a still more ominous third. The excuses may differ, but the general drift is clear enough.

The Federation does, however, have some brighter news to report from its own sources. It believes that the IBM type composer which it sent to

## Home thoughts

It may still cost 40 per cent more to produce a car in the UK than in the rest of Europe or Brazil, but the German chairman and managing director of Vauxhall, Ferdinand Beickler, has found much to praise in his two years here.

"The English are less materialistic than we are," he says in an interview with the German newspaper Die Welt. "They have a much greater talent for coping with the recession and other stress situations."

"I greatly admire this attitude," Beickler adds. "It may sound euphoric but the people here have been suffering for several years and we would perhaps not always be so patient as the English."

His view is that the state of British industry is linked with managerial deficiencies. "It's a question of personnel management," Beickler notes. "People want to be led but they have to believe in the leadership and its sincerity."

## Wong answer

Congratulations to Jenny Wong of Hendon on the only all-correct answer to the Christmas quiz. Post office permitting, she will soon be cheering herself with the promised brandy while filling the pages of her ritzy FT diary. Last year's winner, Norman Garrett of Middlesbrough, looked to be cruising confidently home until he inexplicably failed to answer the final question. Consolation prizes to him, and to two other near-misses, E. V. McWilliam of Gerrards Cross and R. Lucas of Harrow.

Solidarity has been "winkled out" of the Warsaw headquarters, and is now being used to produce the daily newspaper that Warsaw Solidarity is bringing out.

Precondition  
"Avant-garde"—B.C. (American usage).

Men & Matters  
Boots feat  
Marginal note  
Home thoughts  
Wong answer

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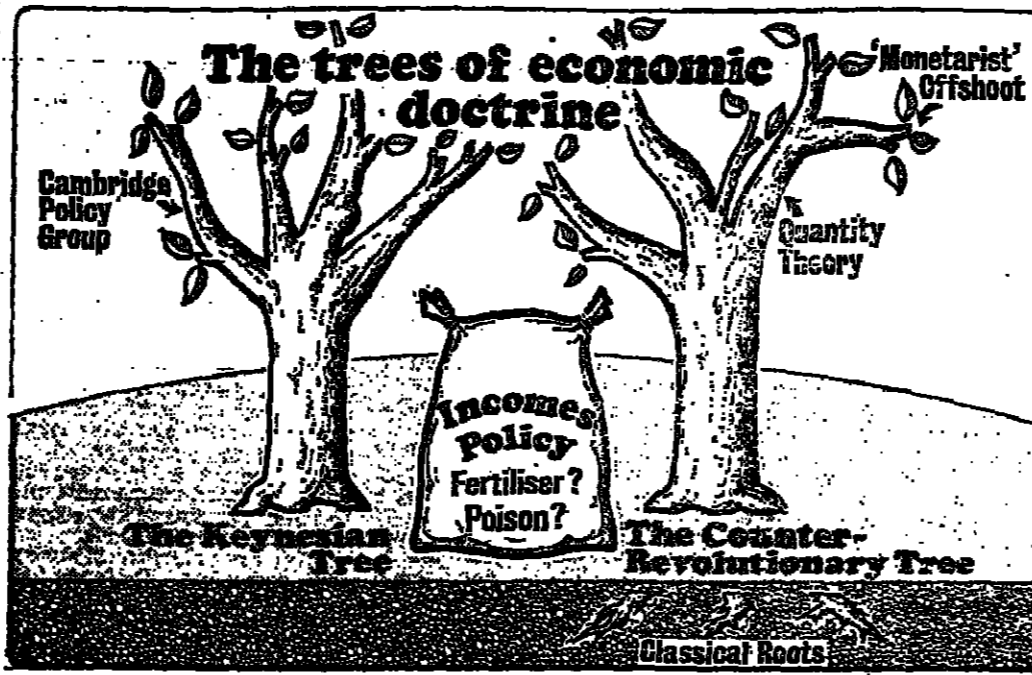
Observer



ECONOMIC VIEWPOINT

A guide for the perplexed

By Samuel Brittan



chosen levels of output and employment, what can it achieve? It can control inflation over the medium term. It can also provide a long stop against the kind of depression which occurred in the 1930s, due to a collapse of spending in money terms. It can also provide some reassurance that wage restraint will indeed price people into jobs.

For all these purposes the need is to achieve as stable as possible a growth of total spending in money terms. Professor James Meade who has advocated a Money GDP target and an income policy aimed at promoting employment, is to my mind a counter-revolutionary. For he accepts that the attempt to maintain full employment by demand management with existing wage-fixing institutions risks, in the words of his own forthcoming study, leading to an explosive inflationary situation with the threat of not merely rapid, but ever-rising inflation, which would eventually force any Government to slam down the brakes.

Quantity theorists stress that "inflation is a monetary phenomenon" but they do not have to believe that there is a hard and fast dividing line between money and other financial assets or that the quantity of money is at all easy to control under a paper money system. Quantity theorists, who have been on the scene for several centuries, are well aware that nearly all past examples of debasing the coinage or resort to the printing press derive from the exigencies of governments which cannot raise enough tax revenue to meet their bills.

controlling money. Sometimes influencing expectations.

There are many macro-economic differences which cut across all the listed schools of thought. In my own case, I moved more than a decade ago from the first to somewhere between the second and third schools. But some beliefs have carried over from one to the other, such as a stress on the longer term, an emphasis on expectations, a suspicion of fine-tuning and a preference for rules over discretion.

The unmentioned further sub-divisions

to settle for familiar wage and price controls, or social contracts with the TUC. Yet having hinted at some of the complications and hybrids, and the unmentioned further sub-divisions, I still think that the four main divisions laid down here do help to map out the territory. If, however, you want a conversation-stopper when faced with economic questions at cocktail parties you might try "I am not a monetarist, only an anti-monetarist."

Lombard Paris-Bonn ties under strain

By Jonathan Carr in Bonn

IT WAS encouraging to learn from Chancellor Helmut Schmidt in his New Year's message that the "close and friendly relations" between West Germany and France have been "further secured" since President Francois Mitterrand came to office. Without this assurance it would have been easy to suppose that exactly the reverse was true.

For example, those with fairly long memories will recall how closely Herr Schmidt and ex-President Giscard d'Estaing coordinated their stand after the Soviet invasion of Afghanistan. There hasn't been much sign of that over the Polish crisis. On the contrary the Germans complain that French reluctance delayed an EEC Foreign Ministers meeting on the subject (a claim which seems to have aroused some official wrath in Paris).

Looking a bit further back, there are Herr Schmidt and M Giscard privately agreeing to set up a European Monetary System (EMS) and going ahead despite the worst that the British (and the EEC farm ministers) could throw at them. Nowadays French ideas for development of the European Currency Unit and for a two-tier interest rate system for Europe bring scorn from the Bonn finance ministry and the Bundesbank alike—a fairly rare display of unity from those two institutions these days.

IT IS a safe bet that all the millions of words written on subjects like Keynesianism and monetarism have left most people more perplexed than they were at the beginning.

The proliferation of subdivisions such as "New Cambridge" or "New Keynesian" and the rise of a school which stresses "Money GDP" rather than the money supply itself have all been intended to clarify matters. But until the relation between these ideas is more clearly understood the common reaction will be that of Goethe to Hegel's metaphysics: "I am still puzzled, but on a higher level."

It might therefore be worth setting out a four-fold classification system that I have found useful myself. It is a deliberate oversimplification of many different positions and nuances. The four following schools of thought relate, in order, to "macroeconomic" (or "financial") policy—the kinds of things such as budgets and monetary and exchange rate policy with which Finance Ministers and their critics are most familiar. It leaves out a host of other, probably more important, topics.

1.—The Keynesian school. This was the post-war orthodox and is still the most familiar. It is one on which most of the senior economists who influenced policy until recently were brought up; and it is also the inductive attitude of most British politicians, journalists

Forces largely independent of demand

and industrialists who pronounce on economic affairs. For there is no one more infested with theory than the down to earth person who claims to go by sheer common sense. The basic doctrine is that the injection of spending power into the economy, via the Budget or the monetary system of exchange rate management, has its main effects on output and employment—that is the real economy. Keynesians usually also believe—although it is not a necessary consequence of their proposition—that without an active financial policy cannot achieve

Letters to the Editor

Resistance to raising the price of steel in Europe

From the Purchasing Director, Boat Trucks and Equipment Ltd., May 1. We are pleased to refer to the letters from Mr Ian MacGregor, British Steel Corporation chairman (December 27) and Mr David Powis, director of the National Association of Drop Forgers and Stampers.

tioned by Mr Powis effectively prevent stockholders from negotiating and passing on to their customers the benefit of rebates and discounts which they previously obtained. Of course it will be difficult for steel consumers, including small drop forgers, to resist steel price rises, but that is no reason for not doing it. If Mr Powis, in attempting to run with the hare and hunt with the hounds, reads my earlier letter he will see that I said that we would help our suppliers to resist steel price rises. I hope other steel users will do the same.

The Invergordon closure

From Mr E. Macpherson. Sir,—There is prima facie evidence that the decision to let the Invergordon smelter close is based on muddled economic thinking. Although it seems clear that British Aluminium (and its shareholders) will be much better off as a result of the deal, someone needs to set down clearly what the estimated effect of the deal is on the Government's overall finances, i.e. the estimated cost/benefit to the taxpayer of the deal.

I am all in favour of remunerating efficient producers well but price increases have to be earned and justified not only by reference to cost increases but also in accordance with market demands. I am very afraid that the imposition of these increases will merely slow down BSC's resolve to achieve the status of an efficient competitive producer and hasten the day when its customers can no longer afford to deal with it. Why should users pay dearly to cushion European steel producers' losses?

Success in selling to Japan

From the Deputy Chairman, Crodis International. Sir,—Success by the West in selling in Japan is, if anything, even more important than meeting Japanese competition there, if the one-way trade balance is to be overcome.

the exchange of gifts, tasteful yet of modest cost. The UK, above all European countries, is well placed to penetrate the Japanese scene, given the right product and the will, because of the enormous advantage of the acceptance of English as the second language of Japan and to some extent even the first language in business circles.

card company of obtaining new customers is obvious. The interest rates charged are very high, and in cases where the credit card is issued in conjunction with a specific firm or group of companies, then the issuing group benefits both ways in that it obtains normal commercial profit on the sale of goods and a significant profit on the provision of credit.

Lloyd's extraordinary general meeting

From Mr. N. Parker. Sir,—A rail strike threatens to interfere with the extraordinary general meeting of Lloyd's on January 13 by preventing members outside London from attending when neither proxies nor postal votes will be acceptable. Those affected should write to the chairman of Lloyd's demanding a change of date, thus providing him with the opportunity to disprove rumours that he discourages attendance at general meetings.

Although helpful, it is not essential to have a subsidiary in Japan; the same effect can be achieved at least to some extent through the use of a Japanese trading company, carefully selected to avoid conflicting interests. A trading company, once the decision to work with you is taken, will saturate the European end of the partnership with service, but it is essential to invest senior management time into becoming known in Japan and to go to some pains to adopt the courtesies of the country in meetings, sitting together and

Playing our cards badly. From the General Manager, Consumer Collection Division, British Mercantile Agency. Sir,—I am in agreement with the spirit of Mr S. Thompson's letter (December 17) in that I feel that the facility with which credit cards can be obtained is in many cases inadvisable and in some cases an invitation to commit fraud. The attraction to the credit

WHY BUSINESSES CANNOT IGNORE THE HEAT PUMP

In 1977, only some 200 electric air-to-air heat pumps were sold to businesses in Britain. But now it is estimated that 4,000 units a year are being installed.

What is the reason for this sudden explosion in demand for this particular form of heating? What has happened in the last few years to awaken interest in electric heat pumps?

ENERGY OUT OF THE AIR

Quite simply as energy costs have risen in recent years, so heat pumps have become increasingly attractive. While the future of some fossil fuels looks less and less secure, the heat pump draws on the world's oldest and most freely available source of energy.

SOMETHING FOR NOTHING

In a recent article, The Times described the heat pump as "a something-for-nothing technology". The electric heat pump works rather like a fridge in reverse: it extracts useful heat present in the environment, whether in the air, water or the ground, then boosts it to provide heating for the atmosphere inside a building.

So remarkable is the system, that it can produce useful heat even in the depths of winter.

40% SAVINGS

But while the energy crisis concerns everyone there are many more down-to-earth reasons why businessmen are jumping at the opportunity to install electric heat pumps. The principle of the heat pump means that it delivers more usable energy than it consumes; a simple equation that can add up to considerable energy savings. In some cases these savings have totalled as much as 40%.

TRINK ELECTRIC

These savings, of course, are redundant unless their continuation is secure. Electricity, the world's most flexible energy source, provides that security. Indeed there are already some cases where alternative fuels are simply not available for commercial use.

TRIED AND TESTED. Electric heat pumps are available in a range of packaged units suitable for all types of commercial premises. They are simple to install, and run automatically. They have been tried and tested in offices, schools, shops and major stores like Mothercare and OSA. The electric heat pump is no longer science fiction. It is science fact.

A BREATH OF COOL AIR

If the benefits of the electric heat pump as a heating system alone were not enough, they have another unique advantage over conventional systems. When cooling, rather than heating, is required, electric heat pumps can simply switch over to produce a flow of cool, fresh air. So although the British weather will doubtless make heating a priority, staff or customers will be able to enjoy a pleasant climate from January to December.

HERE TO STAY

If you are in the process of building or refurbishing, the electric heat pump could dramatically reduce your energy consumption and provide a secure, pleasant, year-round environment for your premises. Bernard Hough, at the Heat Pump and Air Conditioning Bureau, can discuss details and show you case histories. In short, he can tell you why the electric heat pump is here to stay. Call him on Freephone 2282, or complete the coupon.

I'm considering a new heating system. Please send me the facts and figures about electric heat pumps. Name: \_\_\_\_\_ Company Address: \_\_\_\_\_ Post to: The Heat Pump and Air Conditioning Bureau, 50 Millbank, London SW1P 4LN. 2HPA/S

PLANELECTRIC



UK COMPANY NEWS

20 Companies and Markets

Better second half lifts McCorquodale



Mr Alastair McCorquodale, the chairman of McCorquodale and Co. who described the results for the year ended September 30, 1981, as "reasonable."

FOLLOWING A better second half taxable profits of McCorquodale and Co. the worldwide specialist printer, finished the year to September 30 1981 slightly higher at £5.01m, compared with £4.9m.

After six months they were down from £2.7m to £2.34m but in his interim statement Mr Alastair McCorquodale, the chairman, said he felt confident that with the growing strength of the overseas operations group profits for the full year would be close to those for 1979-80.

Commenting on the full year results, which he describes as "reasonable" in view of the climate which prevailed throughout the period, the chairman pointed out that the group's overseas activities continued to grow and that their successes, played a major part in protecting the group as a whole from the severe recession in the UK.

Group turnover for the 12 months rose by £10m to £80.74m with associated contributing £6.11m, compared with £4.32m.

Overseas trading profits before interest came through at £2.41m, against £1.68m, a rise of 46 per cent. However, UK trading profits before interest fell by 7 per cent to £3.98m (£4.3m).

The pre-tax surplus was struck after higher interest charges of £1.55m (£1.19m) and included investment income of £189,000, against £136,000, and a share of profits of associates, which improved from £1.13m to £1.29m.

Tax took more at £1.02m (£708,000). Stated earnings per 50p share declined from 26.09p to 24.5p but

the total dividend is being increased from 7.59p net to 8p—the final is the same at 5.39p.

The directors say that the decision some years ago to increase the size of the group's overseas activities is now beginning to bear fruit and that they will continue to search for new specialist growth opportunities both at home and overseas.

comment

McCorquodale's 2.3 per cent advance at the pre-tax level is substantially a vindication of overseas expansion, aided by currency movements. Trading profits increased by 46 per cent abroad, which marginally outweighed a 7 per cent drop in interest to bear debt and that they reached 10 per cent of the group total and are still rising; the Falconer cheque-printing operation finally broke into worthwhile profits, complemented by

BOARD MEETINGS

Table listing board meetings for various companies including Boardman (K.G.), Courts (Furnishers), G.T. Japan Invest. Trust, MFI Furniture, etc.

TODAY

Table listing today's meetings for companies like Interim: Peter Black, Electronic Rentals, etc.

FUTURE DATES

Table listing future meeting dates for companies like Interim: Birmingham Pellet, etc.

Brown & Tawse at £1.36m

A REVERSAL from interest payable of £589,000 to interest receivable of £97,000 brought taxable profits of Brown and Tawse to £1.36m for the first half to September 30 1981 compared with £1.03m last year, after operating profits fell from £1.42m to £1.36m. Sales dropped by £2.81m to £29.69m.

The interim dividend of this steel and tube stockholder and engineer is being maintained at 1.4p net per 25p share—last year a total of 6.4p was paid on taxable profits of £1.57m. Earnings per share for the six months are given as 6.3p (4.5p).

Mr S. Douglas Rae, chairman, says that demand for steel and tube products has remained weak, but there are some signs of a modest recovery. The directors fully expect the improvement in profits will be continued during the second half of the year, he adds.

After tax of £705,000 (£535,000) and preference dividends of £2,000 (same), attributable profits emerged at £498,000 (£493,000). Dividends of £145,000 (£145,000) leaving retained profits of £353,000 (£348,000).

comment

The sharp interim recovery at Brown and Tawse stems almost entirely from past cost-cutting, particularly on the sale of the plant hire fleet which eliminates the losses of some £150,000 in the second half last year. But profits could well double this year along the recovery path to a fully taxed p/e of 8.3 at 140p, up 10p yesterday. Much of the impetus will come from plant sales, particularly exports of hydraulic breakers, which should stimulate the contribution from the non-stockholding division to about £700,000 against just £29,000. More importantly, the steel industry has pushed through two price increases since October and these appear to be sticking. Volume has risen in anticipation of these rises, if not by very much, and demand should remain quite firm ahead of the smaller price increases planned for April and July. Their aggregate effect will almost certainly lift the group's working capital requirement (the pre-tax 10 per cent receivable has had a significant say in the price upturn) but the converse should be a significant stock appreciation. There is scope, too, for a dividend improvement this year; the historic yield is 6.5 per cent which would go to 7.5 per cent if the final is hoisted to 6p per share.

Malaysian Tin set for USM

Malaysian Tin, whose shares were suspended on the Stock Exchange last April pending approval of a reverse takeover by two property companies owned by Mr R. W. Moore, is being introduced to the Unlisted Securities Market.

Following the expiration of its Malaysian tin mining leases in 1980, Malaysian's trading ceased. Its income since then has come solely from cash deposits of £104,000 at March 31, 1981 and the group's holding of Lonrho shares, reduced during the current year from 189,000 to 139,000. Pre-tax profit in the year to March 1981 was £43,000.

Mr Roland "Tiny" Rowland, chief executive of Lonrho, sold his 19.5 per cent stake in Malaysian and resigned as the director last spring at about the same time as Mr Moore bought a 21 per cent interest.

The acquisitions of R. W. Moore (Developments) and Elmforest (Properties), which were first announced in April, were approved by Malaysian shareholders last month.

The two companies specialise in small residential developments in the higher price ranges in the West Midlands, but are

also expanding into commercial development. Combined turnover has grown from £281,000 in 1976 to £539,000 in the 15 months to March 1981. Rental income over the same period has risen from £363 to £193,000, and pre-tax profit from £28,000 to £92,000. The balance sheet at March 31 shows net tangible assets of £318,000 after bank overdrafts of £56,000 and loans of £20,000. Development properties are valued at £378,000, but a valuation in November 1981 put the value of the group's properties at £744,000.

A pro-forma balance sheet at March 31, 1981 shows the combined net tangible assets of Malaysian and the two property companies at £404,000 before the property revaluation.

The consideration for the acquisitions was 700,000 shares of Malaysian, 54 per cent of those issued, plus £30,000 cash for Elmhurst. The shares of Malaysian stood at 65p when dealings were suspended on the Stock Exchange last April 30. Dealings on the USM are expected to begin on January 11.

The introduction has been arranged by stockbrokers Margets and Addenbrooks, East, Newton.

Akroyd & Smithers aims for futures involvement

IN THEIR statement accompanying the accounts for the year ended September 25 1981 the joint chairmen of stockjobbers Akroyd & Smithers say they are determined to involve the company in the new London International Financial Futures Exchange (LIFFE) which is due to open in the Autumn of this year.

The joint chairman, Mr Brian Peppiatt and Mr Timothy Jones, say two seats have been purchased and point out that growth in the number of contracts traded in the Financial Futures Markets in the U.S. had been "extraordinary" with the volume of business often substantially greater than in the traditional market.

As reported on November 20 the group's pre-tax profits for the year were £5.5m (£20.5m), before extraordinary debits of £1.02m (nil). The consolidated balance sheet shows current assets of £965.11m (£1.14bn), including bill positions of £307.8m (£436.38m), and bank balances and cash £111.1m (£20.8m).

Current liabilities stood at £338.97m (£1.12bn), including bear positions of £322.48m (£409.39m). Movement in net liquid funds shows decrease in bank balances £5.82m (£14.99m increase) and decrease in bank loans £5.64m (£23.26m increase). Meetings: Austin Friars House, EC, February 4, 12.30 pm.

Legal and General new annual business hits £102m

RECORD NEW life and pension business in 1981 is reported by Legal and General Group on its worldwide business, with new annual premiums reaching £100m for the first time, rising 35 per cent from £68.6m to £102.1m. Single premiums were nearly 70 per cent higher at £60.5m compared with £36m.

The company, the second largest life company in the UK, had an excellent year for new individual life and pensions business in the UK. New annual premiums rose by a quarter from £25.8m to £32.1m and single premiums doubled from £16.4m to £35.5m.

Ordinary life annual premiums increased by 23 per cent from £18.1m to £22.3m while self-employed pension annual premiums rose nearly 50 per cent from £3.1m to £4.5m. The

single premium growth came mainly from sale of guaranteed income and growth bonds, while self-employed single premiums jumped from £300,000 to £2m.

However, on the company, the largest pensions company in the UK, had a mixed pattern of business on its group pensions side. New annual premiums fell over 8 per cent from £56.4m to £50.9m, of which £47.4m came from insured schemes and £13.5m from managed funds.

However, single premiums on group business advanced 27 per cent from £12.7m to £22.5m, of which those insured schemes amounted to £9.8m and those managed funds came to £13.9m.

Mr Ron Peet, L and G's chief executive, said that this reduction in pensions business was expected, reflecting the recession in the pension industry. However, in the case of com-

panies negotiating improvements in existing schemes or coming to Legal and General for the first time, total new business was comfortably higher at £35.6m against £31.5m.

The company's linked life subsidiary had another good year in 1981 with annual premiums almost doubling from £2.4m to £4.7m and single premiums up by half from £1.3m to £1.9m. These figures are included in the total UK figures.

The group's overseas operations also showed strong growth, especially in Australia, where annual premiums rose from £2.7m to £5.9m and single premiums from £400,000 to £700,000.

Strong growth in its worldwide life and pensions business is reported for 1981 by Phoenix in its annual statement, which shows a 20 per cent rise in new annual

premiums from £22.1m to £27.1m and a 5 per cent increase in single premiums from £23.4m to £24.6m.

Business was buoyant in the UK in all main sectors of the market. New annual premiums on individual policies rose 8 per cent from £5.1m to £5.6m, and by nearly 50 per cent from £2.8m to £4.2m on pension contracts from £2.8m to £4.2m.

But the main growth in annual premium business came in the linked life subsidiary Property Group Assurance with a rise of over 60 per cent from £2.5m to £4.1m. This latter growth was shared between life business at £3.5m and pensions business at £0.6m.

Single premium business in the UK showed a more static picture for linked business with a rise of £13.6m against £12.8m from Property Group.

But on traditional business in Phoenix, single premiums nearly tripled from £300,000 to £1.1m. New sums assured at £2.95bn just failed to reach the £3bn mark.

A good year for new life and pensions business is reported by Phoenix Investment Assurance Company, the UK linked life subsidiary of the Dutch insurance group Nationale Nederlanden. Annual premium business increased by 45 per cent to £4.8m, with both life at £2.7m and pensions at £2.1m showing similar rates of growth.

Unit linked single premium sales last year jumped nearly 50 per cent to £20m, with one-quarter of the total single premiums coming from the company's new International Currency Fund launched during 1981.

Tooling Investments rise aided by Alfred Herbert

A MAJOR contribution from the Alfred Herbert high technology machine tool business has helped Tooling Investments to produce a more than fourfold rise in profits in the year to July 1981. Tooling, a private West Bromwich-based engineering company, took over the Herbert lathes

manufacturing and tool reconditioning operations when the big state-owned machine tool group collapsed in mid-1980, leaving the Government with £5m in losses. Later, Tooling bought Herbert's U.S. and Canadian subsidiaries.

Turnover of Tooling has grown from £3.5m to £15.9m, and profit before tax from £0.8m to £3.7m. Mr R. M. Lynch, chairman, said that the major impact on turnover and performance had come from the acquisition of certain Herbert businesses, "in particular, the high technology machine tool manufacturing business at Edgwick, Coventry."

"We have been particularly pleased with the reaction we have had from customers to the Herbert high technology lathes. Our order book is looking healthy, production is being increased and we expect Alfred Herbert to continue to make a significant contribution to our profits."

Quest Automation predicts loss

AN UNAVOIDABLE pre-tax loss is forecast for the year by Quest Automation after the first half taxable deficit surged from £347,000 to £1.48m for the six months to August 31 1981.

The company's performance, say the directors, is directly linked to the capital investment policy pursued by the industry as a whole. They say the results for the current financial year were materially affected by world recession.

The taxable figure was struck after sharply increased research and technical expenditure of £90,000, against £49,000 previously. In the last full year pre-tax profits of this manufacturer of computer aided design equipment, stood at £513,000.

The group pursued its longer objectives, say the directors, despite adverse consequences. In the short term, the planned expansion of marketing and technical areas is being implemented. This has had the immediate effect of increasing costs without a corresponding return in income. They add that these short-term costs are un-

avoidable if the company is to participate in the computer market.

The company's wholly owned subsidiary, Computer Instrumentation, acquired in May 1981, has been reorganised recently. The directors expect to be in the second half, but the directors are confident of increasing profits.

The acquisition of Genesys in June 1980 has led to a negative return in the period to February 1982. The directors state that the turnover will be up to expectations and results should improve.

Future performance for the group continues to be dominated by the state of the economy, say the directors. They add that major capital expenditure is significantly constrained by a continuing lack of confidence, and until this returns the company cannot reap the benefits of its investment policy.

comment

Quest, makers of computer aided design equipment, manufacturing systems, obtain a full stock

exchange quotation only last November. Yesterday's interim loss of almost £1m, which does not include doubled research costs of £900,000, astounded the market: the share dropped 25 per cent to 100p. The main problem has been lack of demand for the latest (£30,000 plus) systems which account for the bulk of turnover. Despite this the company is continuing to plough money into fixed assets. The company is rebelling the product range of the 1980 acquisition computer instrumentation, and the costs of this will appear in the second half figures. Quest exports about 65 per cent of turnover, but has no foothold in the U.S. which comprises 60 per cent of the market. Instead it has always been a big exporter to the Warsaw Pact, now a very uncertain market in the high technology field. A similar drop in share price after last year's interim loss of £347,000 was reversed in a couple of days. With the company for the first time forecasting a loss over the forecast year, a similar recovery is not likely this time round.

Underwriters take 68% of Abwood issue

The £225,000 rights issue launched by Abwood Machine Tools, the troubled Darford-based machine tool manufacturer, has been taken up by only 32 per cent of shareholders.

The balance of 2,312,449 shares has been purchased by the underwriters at a subscription price of 7.5p per share. In October of last year a private company called Woodruff Investments, formed by former Wilkinson Match chairman Mr Denis Randolph and Mr Roger Petty, previously a managing director of Renwick Group, proposed an equity injection by subscribing £80,000 in cash for a 32 per cent equity stake in Abwood.

However, this move was superseded by the rights issue underwritten by stockbrokers Bone Fitzgerald. The principal underwriter was Madison Investment, a Cayman registered company controlled by Mr H. K. Chai, a Chinese businessman living in Malaysia.

Advertisement for THE SCOTTISH INVESTMENT TRUST PLC, including a line graph showing net dividend per unit and net asset value per unit from 1956 to 1981, and a list of extracts from the Chairman's statement.

Advertisement for Morgan Grenfell in bank venture, detailing the company's background, objectives, and financial results and accounts in brief.

Advertisement for NORCAP INVESTMENT MANAGEMENT LIMITED and EDINBURGH INVESTMENT MANAGEMENT LIMITED, including contact information and a note about changing names.

Advertisement for Reed International Limited, Unsecured Loan Notes 1985, with details on interest rates and payment dates.

Advertisement for M. J. H. Nightingale & Co. Limited, listing various investment funds and their performance metrics.

Form for requesting the annual report from The Scottish Investment Trust PLC, including fields for name and address.

Advertisement for DIVIDENDS ANNOUNCED, listing companies like Brown and Tawse, McCorquodale, and Technology Inv. Ltd. with their respective dividend dates and amounts.

Advertisement for THE TRING HALL USM INDEX and CORAL INDEX, providing details on index values and closing times.



MINING NEWS

Gold Fields has 22% of Newmont

By Kenneth Marston, Mining Editor
LONDON'S Consolidated Gold Fields has now completed the purchase phase of its programme for purchasing shares in America's Newmont Mining.

Placer cuts moly output

THE POOR market conditions for molybdenum and the consequent cutbacks being made by world producers of the steel industry metal, outlined here in December, are continuing.

Inco cutback at Sudbury

CANADA'S Inco, the world's leading nickel producer, plans further to reduce production at its Sudbury, Ontario, operations.

TREASURY STOCK

The Bank of England states that its conversion of 14 per cent Treasury stock 1982. The stock will be redeemed at par on March 16.

ALLIANCE INV.

Alliance Investment had unsecured currency loans, on a short-term basis, which totalled Yen 850m and £2 at December 31.

Table with columns: Option, Expiry, Closing price, Vol., Closing offer, Vol., Equity close. Lists various options for companies like BP, Shell, etc.

NatWest Registrars Department advertisement. National Westminster Bank Limited has been appointed Registrar of George Spencer Limited.

Intl. Paint builds up Holden stake

International Paint, the 88 per cent-owned subsidiary of Courtaulds, yesterday purchased 12 per cent of the capital of Arthur Holden, the Birmingham-based specialist manufacturer of surface coatings.

Churchbury makes offer for Law Land loan stock

Churchbury Estates, which last year launched a successful reverse takeover bid for Law Land, yesterday made an offer for the Law Land convertible unsecured loan stock.

Macpherson buys printing ink specialist

Donald Macpherson Group has acquired with effect from November 1 1981 A. G. W. Britton and Sons for £350,000, with payment deferred until December 1982.

SHEFFIELD TWIST

It is proposed to repay the Sheffield Twist Drift 7 per cent Debenture stock 1992-97 on March 1982 at 85 1/2 per cent.

ESPLEY-TYAS

Espley-Tyas Group has been informed that on December 23 1981, Ronald Aitken and Associates, which is owned by Mr R. W. Aitken, exercised its option to acquire from Consult International 21,428 ordinary shares in Espley-Tyas at a price of £15,000.

ASSOCIATES DEAL

On January 5 1982 S. G. Warburg and Co. as an associate of Thos. W. Ward bought, on behalf of discretionary invest-

Tarmac merges oil and gas with Candecca

Tarmac, the roadstone and civil engineering group, has merged its North Sea oil and gas interests with the industrial division with the offshore interests of Candecca Resources, the exploration and production company with extensive on-shore acreage in the UK.

SHARE STAKES

Burton Group—Mr Cyril Spencer, director, sold 100,000 ordinary shares. Bureau Dean—Charente Steam Ship Company has increased its shareholding to 2,344,000 ordinary shares (27.73 per cent) by the purchase of a further 150,000 ordinary shares.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Vol., Last, Vol., Last, Vol., Last, Stock. Lists various European options for companies like ASB, AMCO, etc.

Avon Rubber acquires nine retail outlets

Avon Rubber Company has acquired nine tyre and motor accessory outlets which will continue to trade under the name Tyres-Accessories.

JARDINE

Jardine, Matheson and Company and the Prudential Insurance Company of America agreed in principle on December 24 1981 that Jardine would acquire the Prudential's wholly owned property and casualty insurance brokerage operations.

BOWMAKER

THE SALE of Bowmaker, the credit finance company, by Marsh and McLennan, the U.S. insurance broker group which acquired Bowmaker when it took over C. T. Bowring, reaches a climax this Friday.

SUTER ELECTRICAL

Suter Electrical, the Prestold refrigeration and hair salon equipment manufacturer, has disclosed a 6.8 per cent holding in Concord Rotabex, the electric light manufacturer.

RASMUSSEN SETS UP UK SUBSIDIARY

Rasmussen GmbH, the Frankfurt-based engineering group, has purchased its UK interests and pressure tube business from former Charterhouse subsidiary Alenco for around £250,000 and set up a new company, Norma Products.

BRITISH VITA

British Vita has acquired the remaining 50 per cent interest in Regatex not already owned by its wholly owned subsidiary Vita-Vita.

UK ECONOMIC INDICATORS

Table with columns: 1980, 1981, 1982. Rows: Ind. prod., Mfg. output, Eng. order, Retail vol., Retail unemp., Vacancies.

EXTERNAL TRADE

Table with columns: 1980, 1981, 1982. Rows: Exports, Imports, Visible balance, Current balance, OH trade, Resv. US\$bn.

FINANCIAL

Table with columns: 1980, 1981, 1982. Rows: M1, M3, Bank advances, DCE, BS, HP, MLR.

INFLATION

Table with columns: 1980, 1981, 1982. Rows: Basic materials, Wholesale, RPI, Food, Comdy, Strig.



INTERNATIONAL COMPANIES and FINANCE

Consob suspends trading in Bastogi

By Rupert Cornwell in Rome
CONSLOB, the Milan Bourse regulatory authority, last night suspended trading in Bastogi, one of Italy's oldest established financial groups, after its shares had plunged an unprecedented 17 per cent in yesterday's market session.

Amid rumours that debts and losses would oblige the group to call in a special Government-appointed commissioner to handle its affairs, Bastogi shares dropped from L246 to L204 in normal trading hours yesterday. The price lost a further L4 in after hours unofficial business.

The run on the group was such that trading volume rose from the normal daily level of between 200,000 and 300,000 shares to more than 2m.

Later Sig Luigi Santamaria, Bastogi's chairman, issued a statement denying that the group had applied for special administration. However, a board meeting has been called for January 12, at which a capital writedown may be decided, following further losses in the first 11 months of 1981.

Yesterday's developments are the climax of an increasingly difficult period for Bastogi since its heyday a decade ago as one of the linchpins of the private sector in Italy.

Heavily damaged by the troubles of the chemical industry in recent years, the group has reported frequent losses. For 1980 the deficit reached L13.8bn (\$11.4m) almost double that of the previous year. Although sales reached L1,100bn, total indebtedness climbed to L355bn at the end of 1980 from L264bn a year earlier.

Justice Department drops General Dynamics inquiry

BY DAVID LASCELLES IN NEW YORK

THE U.S. Justice Department has informed General Dynamics, one of the leading defence contractors in the U.S., that it is dropping an investigation into charges that the company submitted fraudulent reimbursement claims to the navy at the height of General Dynamics' dispute in the 1970s over cost over-runs in submarine contracts.

General Dynamics, which has denied the allegation, said at its St. Louis headquarters yesterday that it was pleased but not surprised by the decision. The Justice Department said the Grand Jury investigation

had taken so long because of its complexity. The charges arose out of General Dynamics' claim for reimbursement from the navy for the cost of putting right certain faults in a series of nuclear submarines it built for the navy in the early 1970s.

The navy offers a form of insurance against extra costs, but maintains that it did not apply in this case because the over-runs were caused by poor management. The dispute, involving \$843m, was finally settled in 1978 when General Dynamics took a \$359m loss in a compromise settlement.

But it was accused at the time of submitting fraudulently large claims, a potential criminal offence.

The company and the navy have since settled most of their differences, and General Dynamics' Electric Boat division is once again receiving navy submarine contracts after having been cut out of one round of orders last year.

The Navy Department is expected to announce today the award of a contract for the ninth Trident class nuclear submarine to Electric Boat, which is based in Connecticut.

Third-quarter fall at Interco

BY OUR FINANCIAL STAFF

INTERCO, one of the largest U.S. manufacturer and retailers of clothing and footwear, felt the effects of inflation and recession in its third quarter. Earnings for the period eased 5.4 per cent, from \$33m to \$31.2m, despite an 18 per cent upturn in sales from \$606.9m to \$717m.

Nevertheless, nine-month profits of the St. Louis-based group, which is also a diversified general merchandise retailer and furniture manufacturer,

were still higher than for the corresponding period of 1980. Net earnings totalled \$88.89m, an increase of 3.6 per cent on 1980's comparative \$85.51m, while sales advanced by 19 per cent to \$2,070m from \$1,740m.

At the per share level, nine-month earnings equalled \$5.42, against \$5.25 previously, with the third quarter contributing \$1.90, against \$2.02.

Results for both the 1981 and 1980 include returns from Broyhill Furniture, acquired by the group in December 1980.

Sales and earnings of the group have risen steadily over the past 17 years to reach record levels of \$2,370m and \$124m (or \$7.61 a share) respectively for fiscal 1980-81. In that year apparel manufacturing contributed 36 per cent of sales and 42 per cent of profits and footwear 24 per cent and 32 per cent respectively.

Higher annual earnings forecast by U.S. Shoe

BY OUR FINANCIAL STAFF

ANNUAL earnings per share of U.S. Shoe for fiscal 1981-82 will be "well ahead" of last year's \$4.31, although only as a result of the strength of the first nine months. A moderate decline in fourth quarter profit from the \$2.07 a share in 1980-81 is forecast.

The last quarter of 1980, which produced a record result for a three-month period, included an extra week of sales generating earnings of 10 cents a share, plus 9 cents from the favourable Lifo stock adjustment.

The company said retail sales in the latest two months, primarily in the Casual Corner women's apparel division, were lower than planned and were

affected by higher than usual mark-downs.

However, fourth quarter returns should benefit from a much lower tax rate because of a gift of land and buildings to Xavier University. The quarter will also reflect non-recurring expenses associated with the company's move to new headquarters.

Net earnings for the whole of fiscal 1980-81 reached a record \$46.9m, or \$4.31 a share, on revenues of \$974m. At the nine-month stage of fiscal 1981-1982, profits were \$36.75m, or \$3.32 a share, against \$24.66m, or \$2.24 a share, for the previous corresponding period. Nine-month sales were up from \$679.5m to \$779.6m.

Record year for General Cinema

By Our Financial Staff

A MAINTAINED rate of growth has enabled General Cinema to turn in record profits for 1981. The group, which is both the largest independent soft drinks bottler and the largest motion picture exhibitor in the U.S., has lifted annual earnings by 10 per cent, from \$29.9m or \$2.72 a share to \$44.27m or \$3.99 a share.

Fourth-quarter earnings were \$13.9m or \$1.25 a share against \$7.5m or 68 cents a share. Yearly sales totalled \$823.6m against \$758.4m previously with the fourth quarter contributing \$204.5m against \$204.2m.

The group is confident that its earnings will increase again in 1982.

DM 185m bond issue for ECSC

By Peter Montagnon, Euromarkets Correspondent

FIXED RATE dollar Eurobonds started firmer yesterday but again turned weaker during the afternoon as the New York bond market softened ahead of last night's auction of seven-year U.S. Treasury Bonds.

There were no new issues in the dollar sector yesterday, but in Germany, where D-mark foreign bonds were slightly firmer on balance, a new DM 185m, two-tranche issue was launched for the European Coal and Steel Community through Deutsche Bank.

One DM 125m tranche is for five years and other DM 60m is for 12 years, but both are priced at par with a 9 1/2 per cent coupon.

There were still some signs of swapping from dollar Eurobonds into cheaper U.S. domestic issues, and Yankee bonds, although this activity was not on the scale seen on Tuesday after the sharp price falls in the New York market.

Dealers said both the U.S. bond market and the Eurobond market are still trying to find a viable trading range for the start of the year. As yet there has been little news to give impetus to a trend in either direction.

In Switzerland, where secondary market prices fell despite the weaker dollar, the Italian state electric concern ENEL is arranging a SWFR 100m two-tranche 10-year issue through Banque Paribas, Kurz, Buegener and Credit Commercial de France (Swiss).

The bonds will be offered either on a fixed-rate basis with conditions to be set during the next few days or at a floating rate set 1/2 per cent above six-month Libor on Swiss francs. The minimum coupon has been set at 10 per cent initially but it will drop to 6 per cent after the first six months of the issue's life.

Goodrich defies FTC to buy Shamrock unit

By Paul Betts in New York

E. F. GOODRICH, the U.S. tyre company, has acquired the plastics subsidiary of Diamond Shamrock, a diversified energy company, for \$131m. Goodrich went ahead with the takeover in spite of a declaration earlier by the Federal Trade Commission (FTC) that the deal would violate Federal anti-trust laws.

The FTC, the government agency responsible for enforcing anti-trust laws, said that if the transaction was carried out, it would take legal steps aimed at the divestiture of all Shamrock assets acquired by Goodrich.

Goodrich and Shamrock said in a joint statement that they believed the transaction was lawful. They added that they would vigorously contest the FTC complaint.

Goodrich said, however, that if litigation resulted in it being required to divest any of the acquired assets, it believed it could sell them to a third party. If it could not do so, Shamrock had agreed to repurchase them.

The purchase includes a 1bn lb a year vinyl chloride monomer plant and a 260m lb a year polyvinyl chloride plant, both in Texas. The FTC contends that the proposed transactions may reduce competition in a number of chemical markets including the production of polyvinyl chloride and vinyl chloride monomers. The FTC said that Goodrich and Diamond Shamrock were each equally the third largest manufacturers of vinyl chloride monomer, while Goodrich was the leading maker of polyvinyl chloride and Diamond Shamrock the sixth largest manufacturer of the product in the U.S.

The sale by Shamrock is part of a programme of divestiture it announced last year.

Caterpillar lifts dividend

By Our Financial Staff

THE BOARD of Caterpillar Tractor has increased the quarterly dividend to 67 1/2 cents a share from 60 cents. It also announced that it expects "somewhat better" earnings for 1981 than the \$564.8m or \$5.53 a share recorded in 1980, although physical sales volume will be down moderately.

Caterpillar, which recently announced reduced production schedules, said that its predictions for 1982 assumed improved business conditions in the latter part of the year. Caterpillar, which holds a dominating position in world markets for earthmoving equipment, was showing a 13 per cent gain in earnings in the first nine months of 1981, and Wall Street analysts are looking for year-end share earnings of around \$7 with a further moderate increase in the current year.

Chemical Bank links with Eurobond clearing house

BY WILLIAM HALL, BANKING CORRESPONDENT

CHEMICAL BANK'S international cash management system, hChemlink, has linked up with Cedel, the Luxembourg-based Eurobond clearing house, in a move which will give its customers access to Cedel's clearing and reporting facilities.

Chemical Bank says that this is the first time a bank-owned financial information reporting system has linked up with a non-bank financial institution. Mr Jerry Ford Steel, a Chemical Bank vice-president, says that the deal reflects the sort of rapid developments now taking place in high technology information services.

Chemical Bank is one of the most advanced banks in introducing computer technology to its international customers for financial products

banking services and 1,400 banks around the world are linked into its Chemlink system. Customers have access to financial information worldwide and can initiate payments out of banks in other countries. Chemlink handles around 50,000 wire transfers a month totalling \$100bn. Previously such transactions had been handled by telex, which is more costly, slower and prone to errors.

The link with Cedel will give the latter a much better penetration of the U.S. market, especially among the regional banks, an area which it has not been especially well represented. According to the bank the aim is to develop Chemlink into the "first interface point between customers for financial products

and all their transactions processing and reporting needs." It is expected that banks which have dealt with Cedel via telex will now use the Chemlink system to communicate with the Eurobond clearing houses. Cedel has 1,100 participants.

Chemlink clients will be able to input sales and purchases of Eurobonds and give settlement instructions. It will also give details of all transactions not settled or cancelled, balances held in cash and securities transactions in suspense.

Last November Cedel signed an agreement with the Society for Worldwide Telecommunications (SWIFT) enabling Cedel members to use SWIFT's computer terminals for some of their transactions.

Cool response from banks to Mexican offshore units

BY WILLIAM CHISLETT IN MEXICO CITY

INTERNATIONAL BANKS have responded coolly to Mexico's plan to create an offshore banking centre.

Under a new law, which came into force this week, international banks are now allowed to set up offshore banking units in Mexico to deal exclusively with extraterritorial activities.

This means banks can get deposits only from people outside Mexico and make loans in the same category. Previously, international banks were restricted to representative offices in Mexico.

Banks, however, are unenthusiastic about the change because of the other offshore banking centres in the area—such as Panama, the Bahamas and, more recently, New York—which, according to U.S. and American bankers in Mexico offer better communications and lower costs.

Fujitsu to raise Y50bn

BY OUR FINANCIAL STAFF

FUJITSU, Japan's largest computer maker, plans to raise about Y50bn (\$277m) through a public issue of 80m new shares. The price for the Y50 nominal shares has yet to be fixed, writes Our Financial Staff.

The company, which has links with ICL of the UK as well as Siemens of West Germany and Amdahl of the U.S., said that 30m of the shares would be issued as European depositary receipts, with each EDR representing 1,000 shares. The proceeds from the issue would be put to its Y60bn capital spending plan for the financial year beginning in April.

Fujitsu expects a 15 per cent rise in sales to Y670bn in its current year to the end of March with net profits ahead by 8.3 per cent to Y20bn. The company also said it would increase its dividend from Y6.50 a share to Y7 from September 1983.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete Handbook of International Bonds, published next on Tuesday January 12. Closing prices on January 6

Table with columns: U.S. DOLLAR STRAIGHTS, DEUTSCHE MARK STRAIGHTS, SWISS FRANC STRAIGHTS, YEN STRAIGHTS, OTHER STRAIGHTS. Includes bond names, amounts, and yields.

Table with columns: CONVERTIBLE BONDS, Floating Rate Notes, Floating Rate Bonds. Includes bond names, amounts, and yields.

Table with columns: YEN STRAIGHTS, OTHER STRAIGHTS. Includes bond names, amounts, and yields.

Notes and footnotes regarding bond data, including information on conversion rates and interest payments.

LIBYAN ARAB FOREIGN INVESTMENT COMPANY (LAFICO) advertisement. Includes Libyan Arab Foreign Bank (LAFB) and a \$250,000,000 Medium Term Loan. Lists various banks and financial institutions.



Saga Petroleum offshoot in need of extra capital

By Fay Gjester in Oslo

SAGA PETROLEUM, Norway's largest private enterprise oil company, could soon be forced to provide substantial amounts of new equity for its loss-making petrochemical offshoot, Saga Petroleum.

NRK 110m (\$19m) in 1981. The three minority partners who are now refusing to put more cash into Petrolkem are Dyrac Industries, a manufacturer of plastics, chemicals and explosives, and two metallurgical firms, Hafslund and the state-owned Aerial of Sundal Verk.

Swiss banks told to disclose more

By John Wicks in Zurich

SWISS BANKS can no longer cover losses from unpublished reserves without revealing this in their profit-and-loss accounts. The Federal Banking Commission, number of cases in which losses have gone unrecorded in a bank's annual accounts, following the use of hidden reserves, have steadily increased.

The circular had laid down that it was generally forbidden to carry out compensatory bookings between income and expenditure positions, but made an exception in the case of loss coverage and the creation of contingency reserves. Banks could, like other companies, off-set losses with unpublished reserves and provisions and with current income.

In recent years, however, the number of cases, in which losses have gone unrecorded in a bank's annual accounts, following the use of hidden reserves, have steadily increased. The most notable instance was that of Swiss Volksbank, which in November disclosed that it had set aside a total of some Sfr 140m (\$77.3m) from unpublished reserves in 1980 and 1981 against "loss risks" in connection with forward trading silver.

In a letter to the Swiss Bankers' Association and individual banks, the Banking Commission suggests that in future any liquidation of unpublished reserves should figure in the profit-and-loss account under "miscellaneous" items.

Exports boost electrical arm of Empain

By David White in Paris

JEUMONT-SCHNEIDER, the electrical engineering arm of the Empain-Schneider group, has announced that its 1981 results will show a sharp improvement, based on a big rise in export orders. The company said that net earnings, after more than doubling the year before to FFr 52m (\$9.1m), would show a "clear progression."

In spite of having transferred its FFr 500m-a-year cable division to a joint venture controlled by Thomson-Brandt, Jeumont-Schneider produced turnover figures in line with the previous year's sales of FFr 3bn. On a comparable basis, this represented an increase of 17 per cent. New orders reached FFr 3.3bn - an increase of 30 per cent on equivalent basis. Export orders soared by 68 per cent to FFr 1.28bn. The company said that its expanding electronics activities now accounted for half its total activity.

Sharp advance at Naarden

By Charles Batchelor in Amsterdam

NAARDEN INTERNATIONAL, the Dutch flavours and fragrances group, increased net profits to more than Fl 12m (\$4.8m) in 1981 from Fl 7.1m the year before. Turnover increased to more than Fl 300m (\$102m), compared with Fl 488m in 1980. In the first six months of 1981 Naarden reported net profits more than doubled to Fl 8.4m on turnover of Fl 294m. Much of this improvement was attributed to currency fluctuations.

Demag order intake rises

By Our Financial Staff

MANNESMANN-DEMAG, a subsidiary of the Mannesmann group of steel, pipe-making and heavy industrial companies, says its order intake totalled DM3.7bn (\$1.4bn) in 1981, up 6 per cent from 1980. Order inflow for industrial installations was boosted by contracts with the U.S. and the Soviet Union. On standard products business, "pleasing" foreign orders failed to fully make up for a decline in domestic orders. Looking to 1982, Demag predicts that domestic business will pick up in the second half of the year. The company produces metal processing equipment, mining and construction equipment, and plastic forming machinery.

THE ROYAL BANK OF CANADA

NOTICE OF PARTIAL REDEMPTION

TO THE HOLDERS OF 9% DEBENTURES DUE FEBRUARY 15, 1992 OF THE ROYAL BANK OF CANADA

NOTICE IS HEREBY GIVEN, pursuant to the provisions of the Trust Indenture bearing formal date of April 15, 1971 (as supplemented) and to the Fourth Supplemental Trust Indenture bearing formal date of February 9, 1977 (herein collectively referred to as the "Trust Indenture") between The Royal Bank of Canada (herein referred to as the "Bank") and Montreal Trust Company (herein referred to as the "Trustee"), as Trustee, providing inter alia for the creation and issue of 9% Debenture of the Bank, that C\$1,500,000 aggregate principal amount of 9% Debentures due February 15, 1992 of the Bank in coupon bearer form in the denomination of C\$1,000 each bearing the distinguishing letter "G" and the under-mentioned distinguishing numbers, namely:

Table with columns of numbers representing debenture identifiers, ranging from 00042 to 02176.

have been selected by lot by the Trustee for redemption on the 15th day of February, 1982, for sinking fund purposes only. All such Debentures so selected will be redeemed on February 15th, 1982 in lawful money of Canada at the principal amount thereof upon presentation and surrender of the said Debentures (accompanied by the interest coupons appertaining thereto which mature after February 15, 1982) at the option of the holder, at any of the following paying agents:

- Orion Royal Bank Limited, 1 London Wall, London EC2Y 5JX, which replaces Orion Bank Limited as Principal Paying Agent; The Royal Bank of Canada, The Royal Bank of Canada Building, 1 Place Ville Marie, Montreal H3C 9B5; The Royal Bank of Canada, 6 Lothbury, London EC2R 7JY; The Royal Bank of Canada (France), 3 rue Scribe, 75440, Paris; Burgard und Notbohm Bank A.G., Liesegangstrasse 20, 4000 Düsseldorf 1, which replaces Bankhaus Burgard und Bröckelchen A.G.; Chase Manhattan Bank Luxembourg S.A., 47 Boulevard Royal, Luxembourg; Credit Suisse, Paradeplatz 4, CH 8021 Zurich; Swiss Bank Corporation, Aeschenvorstadt 1, CH 4002 Basle; Union Bank of Switzerland, Bahnhofstrasse 45, CH 8021 Zurich; Westdeutsche Landesbank Girozentrale, 56 Friedrichstrasse, D 4000 Düsseldorf.

Debenture Holders should detach the February 15, 1982 coupon and present it in the usual way.

NOTICE IS ALSO HEREBY GIVEN pursuant to the terms of the Trust Indenture, that all interest on the 9% Debentures so called for redemption shall cease to be payable from and after the said 15th day of February 1982 and coupons for interest to accrue after such date upon said Debentures shall become and be void.

DATED AT MONTREAL this 7th day of January, 1982 THE ROYAL BANK OF CANADA. BY MONTREAL TRUST COMPANY, TRUSTEE

Montefibre on recovery course

By James Suxton in Rome

MONTFIBRE, the synthetic fibres concern, which is controlled by the Montedison chemical group, closed 1981 technically at break-even for accounting purposes. Earlier last year a small operating profit had been forecast. At that time it was not expected that the operating profit would be sufficient to cover depreciation, nor the company's debt servicing

burden, estimated at about L30bn (\$5m) for 1981. Now the company expects to make an operating profit in 1982. It has not made a profit since 1974.

Montefibre thus appears to be on course for the recovery forecast in the rescue plan for the company drawn up in 1979. Following years of heavy losses, during which the parent company Montedison has had to provide a total of L560bn to

cover its losses, its capital was increased partly through the help of a consortium of banks and its debts were consolidated. The rescue plan, which included provisions for industrial restructuring, envisaged the stabilisation of the company by 1982. Its debt was expected to fall to L35bn by the end of the year from L60bn at the end of 1980.

MORGAN STANLEY INC. advertisement listing various services like Capital Markets, Finance, Administration & Operations, Firm Investment Account, and Investment Banking, along with names of staff members.

CENTRAIS ELÉTRICAS BRASILEIRAS S.A. ELETROBRÁS advertisement featuring a logo and listing various international banks as agents for a \$85,000,000 Medium Term Credit Facility.

FNMA FEDERAL NATIONAL MORTGAGE ASSOCIATION advertisement for \$1,000,000,000 15.05% Debentures, dated January 11, 1982, due December 10, 1984.



THIS ANNOUNCEMENT APPEARS AS A MATTER OF RECORD ONLY



**Avianca**

**AEROVÍAS NACIONALES DE COLOMBIA, S.A.**

U.S. \$120,000,000

MEDIUM TERM CREDIT FACILITY

LEAD MANAGED BY

**CHASE MERCHANT BANKING GROUP**      **CHEMICAL BANK INTERNATIONAL LIMITED**

MANAGED BY

**ARAB LATIN AMERICAN BANK**      **BANCO DEL COMERCIO, S.A.**  
 -ARLABANK-  
**BANCO HISPANO AMERICANO, S.A.**      **THE PHILADELPHIA NATIONAL BANK**  
**STANDARD CHARTERED BANK LIMITED**

AND

**BANCO DE BOGOTÁ**      **BANCO DE COLOMBIA, S.A. (PANAMÁ)**

CO-MANAGED BY

**THE FIRST NATIONAL BANK OF BOSTON**      **NEW ENGLAND MERCHANTS NATIONAL BANK**  
 -BANK OF NEW ENGLAND-

FUNDS PROVIDED BY

THE CHASE MANHATTAN BANK, N.A.	CHEMICAL BANK
ARAB LATIN AMERICAN BANK	BANCO DEL COMERCIO, S.A.
ARLABANK	THE PHILADELPHIA NATIONAL BANK
BANCO HISPANO AMERICANO, S.A.	BANCO DE BOGOTÁ
STANDARD CHARTERED BANK LIMITED	NEW YORK AGENCY
BANCO DE COLOMBIA, S.A. (PANAMÁ)	THE FIRST NATIONAL BANK OF BOSTON
NEW ENGLAND MERCHANTS NATIONAL BANK	BANCO DE SANTANDER
BANK OF NEW ENGLAND	BANQUE ANVAL, S.A.

AGENT

**THE CHASE MANHATTAN BANK, N.A.**

DECEMBER 1981

Companies and Markets

**INTL: COMPANIES & FINANCE**

**Further growth in profits and turnover at Amatil**

By GRAEME JOHNSON IN SYDNEY

AMATIL, the diversified tobacco, food and drinks group in which BAT Industries of the UK has a stake of some 40 per cent, lifted earnings by 16.1 per cent to A\$36.2m (US\$41m) in the year to October 31. The dividend total is held at 20 cents a share with an unchanged 10 cent final on capital increased by a one-for-five scrip issue last year. A further one-for-five scrip issue is proposed but the new shares will not rank for the final dividend.

Turnover advanced from A\$1.15bn to A\$1.32bn, and pre-tax earnings jumped by 30.1 per cent from A\$82.2m to A\$62.7m but tax, up from A\$16.8m to A\$25.9m, cut deeply into net earnings. Depreciation absorbed A\$18.2m against A\$14.8m, interest payments A\$19.7m against A\$15.1m, and minority interests A\$0.6m against A\$0.15m. Earnings were struck before an extraordinary loss of A\$6.1m compared with A\$2.31m in 1979-80.

**Singapore property group ahead**

By George Lee in Singapore

CITY DEVELOPMENTS, a major local property developer associated with the Hong Leong group, raised pre-tax profits for the year ended October 31 by 32 per cent to S\$26.3m (U.S.\$12.8m) and net profits by 16 per cent to S\$15.27m. It also announced rights and scrip issues both of one share for every three held with the rights priced at S\$1.80. A gross dividend of 20 cents a share is proposed on capital of 124.99m shares against 20 cents on 101.24m shares last year. The rights and bonus issues will lift issued capital to 208.32m shares and provide about S\$75m in additional funds. Certain major shareholders have agreed to buy 54.22 per cent, or 22.56m, of the rights shares. The company forecast higher profits for the current year and a dividend of at least 20 cents a share. King's Hotel, its 74.64 per cent owned subsidiary, reported pre-tax profit of S\$6.4m and net of S\$3.7m for the year ended October and proposed a gross dividend of 7.5 per cent.

**Raunaq Singh in shipping move**

By K. K. SHARMA IN NEW DELHI

THE RAUNAQ SINGH group has announced that it will raise Eurocurrency loans to finance the purchase of two ships costing Rs 200m (\$22m) which will form the basis for a new company, Raunaq Shipping Lines. Mr Raunaq Singh, the group chairman, said the Government had approved the proposals which will help the company to diversify. About 10 per cent of the purchase price will be met from internal resources. The group is to buy two vessels of 30,000 dwt each. These will be owned by the group's main company, Bharat Steel Tubes, which will lease them to Raunaq Shipping Lines. Mr Singh said the group has embarked on an expansion and diversification programme which involves establishing its first three ventures abroad. Two will be in Indonesia and the third in Singapore.

**Top Singapore groups lift stock market value 30%**

By KEVIN RAFFERTY IN SINGAPORE

THE AGGREGATE market capitalisation of the 100 biggest companies quoted on the Singapore stock market rose by 30 per cent in 1981 to top S\$50bn (U.S.\$24.5bn) by the end of the year. Ten companies had a market capitalisation of more than S\$1bn, compared to seven the previous year, according to research by Business Times. Overseas-Chinese Banking Corporation led the market with capitalisation of more than S\$3.4bn and banks took five places in the top ten. Development Bank of Singapore was ranked third, United Overseas Bank fourth, Malayan Banking seventh and Overseas Union Bank tenth. One of the fastest climbers in 1981 was Promet, the shipbuilding and engineering company which rose from 80th at the end of 1980 to 12th place. The growth of the market capitalisation of the top 100 companies outpaced the rise in the market. The Straits Times Industrial Index rose by 18.6 per cent over the year.

£50,000,000 Guaranteed Sterling/US Dollar Payable Floating Rate Notes due 1990

**Lloyds Eurofinance N.V.**  
 (Incorporated in the Netherlands with limited liability)

Guaranteed on a subordinated basis as to payment of principal and interest by

**Lloyds Bank Limited**  
 (Incorporated in England with limited liability)

In accordance with the terms and conditions of the Notes and the provisions of the Agent Bank Agreement between Lloyds Eurofinance N.V., Lloyds Bank Limited, and Citibank, N.A. dated July 2, 1980, notice is hereby given that the Rate of Interest has been fixed at 15 1/2% p.a. The relevant Interest Payment Date is July 6, 1982 (making an interest period of 181 days), and payment will be made against Coupon No. 4. The value of Coupon No. 3 payable on January 6, 1982, is US\$132.72.

January 7, 1982.  
 By: Citibank, N.A., London, Agent Bank **CITIBANK**

VONTBEL EUROBOND INDICES

145.76 = 100%

PRICE INDEX	29.12.81	51.82	AVERAGE YIELD	29.12.81	51.82
DM Bonds	91.20	91.58	DM Bonds	3.837	9.293
HFL Bonds & Notes	54.31	54.43	HFL Bonds & Notes	10.986	10.969
U.S. \$ Str. Bonds	85.98	86.87	U.S. \$ Str. Bonds	14.148	14.190
Can. Dollar Bonds	87.35	87.60	Can. Dollar Bonds	14.593	14.529

This announcement appears as a matter of record only

**Rashtriya Chemicals and Fertilizers Limited**

KD 30,000,000  
 12 1/4 per cent. Guaranteed Notes due 1988

Guaranteed by  
**the Republic of India**

Kuwait International Investment Co. s.a.k.  
 Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)  
 Kuwait Investment Company (S.A.K.)

December 1981

This announcement appears as a matter of record only

**MERZARIO SHIPPING CORPORATION**

has acquired  
 M.V. "MERZARIO ARCADIA"  
 and  
 M.V. "MERZARIO FENICIA"

Medium Term Financing has been arranged by the  
 PKBanken Group

Swedish Export Credit  
 Provided by  
 PKBanken

Eurodollar Loan  
 Provided by  
 PKBanken International (Luxembourg) S.A.  
 PKB Investments Limited

November 1981

U.S. \$15,000,000

**The Industrial Bank of Japan, Limited**  
 London

Floating Rate London-Dollar Negotiable  
 Certificates of Deposit due 7th July, 1983

In accordance with the provisions of the Certificates, notice is hereby given that for the six month Interest Period from 7th January, 1982 to 7th July, 1982, the Certificates will carry an Interest Rate of 15 1/2% per annum. The relevant Interest Payment Date will be 7th July, 1982.

Credit Suisse First Boston Limited  
 Agent Bank

Weekly net asset value

**Tokyo Pacific Holdings (Seaboard) N.V.**  
 on January 4th 1982: U.S. \$67.55  
 Listed on the Amsterdam Stock Exchange

Information: Pierson, Holding & Pierson N.V.,  
 Herengracht 214, 1016 BS Amsterdam.

**HARRAP'S BUSINESS DICTIONARY**  
 English-French and French-English

- Marché des valeurs hors cote?
- Retenue (de l'impôt sur le revenu) à la source?
- Baratin publicitaire?
- Asile fiscal?
- Taxe sur les paris?
- Bail à long terme?
- Prix coûtant?
- Personne qui travaille au noir?
- Un ajouté?

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CURRENCIES, MONEY and GOLD

Dollar eases

The dollar was mostly easier in currency markets yesterday as Euro-dollar rates fell following Monday's lower U.S. Federal fund rate.

Sterling was slightly firmer overall but finished below its best level, reflecting a weaker trend in UK interest rates. Trading was rather quiet.

The Belgian franc remained the weakest member of the European Monetary System. But showed a small improvement despite a cut in the discount and Lombard rates.

The dollar slipped to DM 2.2465 against the D-mark from DM 2.2610 and was lower against the Swiss franc at Sfr 1.8090 compared with Sfr 1.8110. It was slightly firmer against the Japanese yen however at Y219.5 from Y219.5.

Sterling traded within a very narrow range in generally featureless trading. Against the dollar the spread for the day was only 1 per cent, between \$1.92 and \$1.93. It opened at \$1.9250 and touched \$1.93 before noon. It touched its low late in the afternoon and closed at \$1.9235-1.9245.

THE POUND SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. months, % p.a. for 12 months. Includes data for US, Canada, Belgium, Denmark, Ireland, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Switzerland, Austria, and Swiss.

THE DOLLAR SPOT AND FORWARD

Table with columns: Day's spread, Close, One month, Three months, % p.a. months, % p.a. for 12 months. Includes data for UK, Ireland, Canada, Netherlands, Belgium, Denmark, W. Ger., Portugal, Spain, Italy, Norway, France, Sweden, Switzerland, Austria, and Swiss.

CURRENCY MOVEMENTS

Table with columns: Bank of England, Morgan Guaranty, Jan. 6, Jan. 5, % change, Special Drawing Rights, % change, Note Rates. Lists movements for Sterling, Australian dollar, Canadian dollar, etc.

OTHER CURRENCIES

Table with columns: Jan. 6, Jan. 5, % change, Note Rates. Lists rates for Argentina, Brazil, Finland, Greece, Hong Kong, Iran, Kuwait, Malaysia, New Zealand, Saudi Arabia, Singapore, and South Africa.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: ECU central rates, % change against ECU, % change adjusted for divergence, Divergence limit %. Lists rates for Belgian franc, Danish krone, French franc, Dutch guilder, Irish punt, Italian lire, etc.

EXCHANGE CROSS RATES

Table with columns: Jan. 6, Pound Sterling, U.S. Dollar, Deutschemark, Japanese Yen, French Franc, Dutch Guilder, Italian Lira, Canada Dollar, Belgian Franc. Lists cross rates for various currencies.

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 6)

Table with columns: 3 months U.S. dollars, 6 months U.S. dollars. Lists interbank fixing rates for 3 and 6 month periods.

EURO-CURRENCY INTEREST RATES (Market closing Rates)

Table with columns: Jan. 6, Sterling, U.S. Dollar, Canadian Dollar, Dutch Guilder, Swiss Franc, West German Mark, French Franc, Italian Lira, Belgian Franc, Japanese Yen. Lists interest rates for various Euro-currency deposits.

MONEY MARKETS

London clearing bank base lending rates 14 1/2 per cent (since December 4). Short-term interest rates eased slightly in quiet London money market trading, following the better than expected provisional money supply figures from the Bank of England earlier this week and the downward trend in U.S. interest rates.

GOLD

Gold fell \$3 an ounce in the London bullion market yesterday to close at \$402.403. Trading was again dull and featureless, and after opening at \$401.402, the metal was fixed at \$402 in the morning and \$401.5 in the afternoon.

LONDON MONEY RATES

Table with columns: Jan. 6, 1982, Sterling, Interbank, Local Authority deposits, Finance House Deposits, Company Deposits, Discount, Market (Treasury Bills), Eligible Bank Bills, Fine Trade Bills. Lists London money rates for various categories.

FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS FUNDS

Large table listing various offshore and overseas funds, including S.S. Europe Obligations S.A., Leopold Joseph & Sons (Germany), King & Shazam Mgmt., etc. Includes fund names, managers, and performance data.

MONEY RATES

Table with columns: NEW YORK, GERMANY, FRANCE, JAPAN. Lists money rates for New York, Germany, France, and Japan.

Notes

Prices are in pence unless otherwise indicated. Values are for the calendar month for all buying agencies. A offered price includes all expenses. A offered price includes all expenses. A offered price includes all expenses.

Insatiable. This new Exchange can handle 70,000 futures trades every hour - and confirm each one in seconds. That's insatiable. No, that's INTX. INTX Trading begins June 17, 1982. For the complete INTX story, see page 26.



WORLD STOCK MARKETS

Companies and Markets

NEW YORK

Table of New York stock market data including Dow Jones index, Standard and Poors, and NY S.E. All Common.

NEW YORK

Table of New York stock market data including various stock prices and indices.

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Low 6.8 lower at midsession

WORRIES OVER the future course of U.S. interest rates continued to underpin Wall Street in active early dealings yesterday.

The Dow Jones Industrial Average, after falling 17 points on Tuesday, slipped 6.85 more to 858.45 by 1 p.m. The NYSE All Common Index was 74 cents weaker at 568.98, while falling issues totalled more than 1,000 against about 300 rises.

Michael Metz, of Oppenheimer and Co., said the reaction to the rise in the money supply and bearish projections on interest rates by Salomon Brothers' economist Henry Kaufman, has been much greater than expected.

However, some analysts noted that many investors and particularly institutions, have large cash positions after the heavy tax-loss selling of December. This liquidity may prevent the market from falling much further before buying pressure emerges.

Oil stocks have been among the steepest in the decline, reflecting reductions in earnings estimates by several industry analysts.

Volume leader Union Oil California shed 1/2 to \$24.1, Amerasia Hess 1 to \$22.5, Standard Oil Indiana 1 to \$48.1, Pennzoil 1 to \$44.2.

Oil Equipment and Services companies were also weak. Parker Drilling retreated 1/2 to \$17.5, Schlumberger 1/2 to \$51.1, Smith International 1/2 to \$41.1.

Declining issues in the Blue Chips included IBM, off at \$56.1, International Paper, off at \$38.1, Eastman Kodak, off at \$70.1, U.S. Steel, off at \$29.1, and Merck, off at \$82.1.

THE AMERICAN SE Market

Value Index further weakened by 4.25 to 310.31 at 1 p.m. Volume 3.22m shares (2.65m).

Canada

Markets in Canada also continued to retreat over a wide front in a moderate business yesterday morning. The Toronto Composite Index was down a further 19.2 to 1,897.6 at midday, further 19.2 to 1,878.6 at 2 p.m. The Exchange by 2:45 to 80. The Oil and Gas index dipped 77.1 to 3,599.4, Metals and Minerals 18.6 to 1,793.4 and Golds 9.7 to 2,934.2.

"Technically the market does look weak, but we don't believe we're in for a major decline," David McLeish, with Walwyn Stodgell Cochran Murray, said. He predicts the Composite Index will hover around the 1,800 to 2,100 level until the second-quarter when it will begin moving upwards.

Tokyo

With sentiment further dampened by the overnight sharp setback on Wall Street, the Tokyo market declined in another moderate business, despite news on Tuesday of a record fall in the December balance of trade.

Some Blue Chips were particularly depressed, but the pharmaceutical sector and manufacturers of new car models fared better.

The Nikkei-Dow Jones Average receded 21.74 to 7,697.60 and the Tokyo SE index lost 3.18 to 569.46. Declining issues outscored rises by 388 to 224 on the First Market following volume of 260m shares (240m).

Declining issues in the Blue Chips included IBM, off at \$56.1, International Paper, off at \$38.1, Eastman Kodak, off at \$70.1, U.S. Steel, off at \$29.1, and Merck, off at \$82.1.

Fuji Photo retreated 1/2 to \$12.50, Tokai 1/2 to \$45.00, Sony 1/2 to \$33.00, Honda Motor 1/2 to \$70.00, Hitachi 1/2 to \$67.00, Kawasaki Heavy 1/2 to \$70.00, Hitachi Heavy 1/2 to \$70.00.

Nippon Steel Y2 to Y173

Canon Y18 to Y907 and TDK Electronic Y120 to Y3,470. Housing and construction companies were also sold, reflecting continued slow housing starts in November.

Germany

Leading shares closed mixed after a quiet session, during which prices first picked up from opening lows but tended to fall back in later trading as buying interest waned.

Steel was among shares moving higher, with market sources commenting that higher steel prices and increasing prospects for a reorganisation of the German industry aimed at profitability were behind the upturn.

Public Authority Bonds were a little easier for choice in light trading. The Bundesbank bought DM 14.9m of stock after purchases of DM 51.1m on Tuesday.

Australia

Stocks mainly retreated in the wake of Wall Street fall overnight. Selling pressure persisted throughout the day and the Australian All Ordinaries index finished 8.1 down at 586.3, but actual turnover was low.

The Oils group, which had attracted some buying interest over the past two days, was no exception to the weak trend yesterday. The Oil and Gas

index lost 16.1 to 678.0, while the Metals and Minerals sector index shed 7.4 to 415.3. Overall market leader BHP was at the forefront of the slide with a 35 cents fall to AS10.10, while CSR, another resource-related issue, dipped 12 cents to AS3.85.

Among Oil and Gas shares, Santos shed 20 cents to AS8.20, Vamgas 20 cents to AS11.20, Woodside 7 cents to AS11.10, Hartgrove 20 cents to AS6.70 and Claremont 5 cents to AS1.42. Alliance Oil, however, improved 25 cents to AS1.80.

Paris

Bourse prices, after Tuesday's good rally, closed on a mixed note following very quiet trading, with sentiment restrained by the overnight fall on Wall Street.

However, isolated strong spots included BSN Germaine Thomson, off FRF 36 at FRF 1,210, Michelin, FRF 38 firmer at FRF 668, and Peugeot, which rose FRF 11.5 to FRF 184.

Hong Kong

The regular Wednesday half-day session left the market little changed after an early decline, again due to the overnight depression on Wall Street, was recouped by subsequent light bargain hunting.

However, brokers said the market is suffering from neglect and could possibly remain this way until after the Chinese New Year holiday at the end of January. They added that some uncertainty about the depth of the U.S. recession and the direction of interest rates was holding investors back from investing funds in stocks.

The Hang Seng index was a slight 1.06 off on balance at 1,385.72. Turnover was again very thin with trading totalling only HK\$119.46m, 13% of the full trading day on Tuesday.

Utilities continued to attract some support. China Light gained 20 cents to HK\$13.40 and HK Telephone 10 cents to HK\$35.00.

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HOLLAND

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JAPAN (continued)

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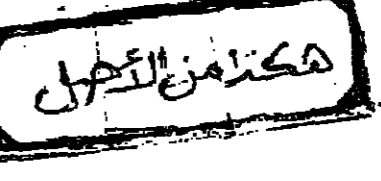
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# Mystery buyer boosts U.S. tin stockpile sales

BY NANCY DUNNE IN WASHINGTON

THE "MYSTERY" buyer now holding up spot prices on the London tin market has apparently stimulated a boom in tin sales from the U.S. strategic materials stockpile.

Since the General Services Administration removed its restriction on exports of GSA tin on December 14, the Agency has sold 3,146 tonnes, valued at almost \$60m.

The GSA sales have been proceeding very slowly before the rule change. Authorised to sell 10,000 tonnes a year for three years, the agency had disposed of only 3,170 in the previous 15 months.

A GSA spokesman attributed the boom to purchases in the London market.

"Obviously, we're cutting in on whoever these buyers are," he said. "We don't know if we can keep it up because we don't know these people's resources. But it amazes me to see how much money they seem to have available."

He said that more than half the GSA tin is being bought for export, mostly to Europe.

"We believe most of our tin is going into use," he said. "It doesn't have to be mined and you can get it in 30 days."

The GSA price is a good one. On Tuesday the agency sold 180 tonnes at its daily offering for \$708 a pound. The London spot price then stood at \$748 a pound and the New York price at about \$723 a pound.

Most of the buyers are New York traders with affiliates in London. Among those most active are: Ore and Chemicals

In New York, which is controlled by Metallgesellschaft, the Associated Metals and Minerals Corp, a member of the Lissauer Group, Amalgamated Metals, a large international tin trader, and BILTON, owned by Royal Dutch Shell.

Last July, Associated Metals went to court to try to stop the GSA tin sales, but reportedly, the firm is now buying government tin because it is cheaper to purchase than to produce.

Proceeds from the tin sales go to the Stockpile Transaction Fund to buy new materials for the stockpile.

Last year the agency earned \$62m from the sale of several commodities, including \$63m for tin and \$18m for silver.

# Speculators hit lead and zinc

By Our Commodities Staff

**SPECULATIVE SELLING** pushed lead and zinc prices lower on the London Metal Exchange yesterday, overwhelming the bullish impact of Tuesday's news that workers at the Republic of Ireland's Tara lead mine had decided to continue their six-month-old strike.

Cash lead ended \$25 down at \$331 a tonne and cash zinc \$17 down at \$437.50 a tonne.

Anstralian Mining and Smelting (Europe), whose Arznooth smelter is a big user of Tara zinc production said the strike could have a serious effect on the European zinc industry if it is not resolved soon. A company official said he was surprised at the apparent lack of concern shown by other European smelters over the strike at Tara's Nevada mine, which supplied around 10 per cent of Europe's zinc concentrate requirements.

The copper and tin markets were quiet and featureless. Cash copper wirebars ended \$12 down at \$245.50 a tonne while cash standard tin rose \$2 to \$8,302.50 a tonne.

News of cutbacks at Inco's Sudbury, Ontario, operation and rumours of a similar move coming at Falconbridge in Canada lifted nickel prices. The cash quotation on the LME ended \$25 up at \$2,900 a tonne.

# Wheat supply optimism

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

I LEARNED many years ago that the only certain forecast that could be made about commodity trends and prices was that they would move up and down—although the timing of the cycle is always in doubt and that they depend on supply and demand.

That does not prevent many people from attempting the exercise, and the latest was M Jean Parotte the executive secretary of the International Wheat Council addressing a growers' meeting in Canada this week.

In his analysis of wheat prospects he refuted the scare-monger thesis of those who believe that increasing populations will run out of food or even space on which to grow it. He believed that the potential for bringing new land into production had not yet been achieved by a very wide margin, and that there could be a continuation in the steady improvement in yields of the last 20 years.

This has resulted in a near doubling of wheat production from 250m to 450m tonnes world wide, not only in the traditional exporting countries but in countries previously importers such as India and Pakistan. World trade has kept pace and exports have grown from 43m tonnes in 1961 to 100m tonnes in 1981-82.

In the 1960s the USSR was a regular exporter but is now one of the biggest importers. But M Parotte did not think that either the USSR or the other centrally planned countries wished that situation to continue as they could well achieve self-sufficiency by the end of the century.

The main deficit was in the developing countries of Africa and south-east Asia, where consumption of wheat was growing with urbanisation. Unfortunately, these countries were poor and their opportunities of importing wheat depended in part on aid from the richer countries.

The main scope lay in what he called the middle-income

countries. Some of these had been industrialised like South Korea and Hong Kong and were already substantial wheat consumers. He thought increasing prosperity would turn them towards meat as well as replacing coarse grains with wheat.

In short, a general increase in consumption which was likely to be more than matched by production. He claimed also in real terms the value of wheat which had steadily fallen since 1910 would still be falling.

The only question I have about this scenario is that the increase in wheat production we have seen lately has been due to an increasing use of energy-based inputs. There is some evidence that in the U.S. and other countries the continuing increase in production would be contingent on a higher price for farmers either in the market or through government support to pay for all these inputs. The low-grade prices may not be as permanent as M Parotte thinks.

which went missing. This was offloaded at Bahrain after sitting at anchor waiting to unload in Iran for nearly three months.

The value of the Iran meat lamb trade is worth more than NZ\$200m. Meat exporters are trying to conclude the delicate negotiations to clear up payment dispute so that a new contract can be signed.

Japan increased its lamb buying by 4,000 tonnes to 16,000 tonnes and also took another 6,000 tonnes of mutton. It is the Soviet Union, however, which is the main customer for NZ mutton, taking 37 per cent of all mutton exports. Shipments to the USSR reached 50,000 tonnes and without the Russian trade New Zealand's mutton market would be depressed.

North America took most of the beef and veal with the U.S. buying 163,722 tonnes.

The future of New Zealand's beef exports to the U.S. were assured for another few years last week when the House of Representatives passed a 1981 Farm Bill on December 17 by

# Canadian grain sales on target

WINNIPEG—The Canadian

Wheat Board said exports of Western Canadian grain reached the interim target of 10.8m tonnes for the five-month period ending December 31, 1981.

Wheat Board figures show that loadings of Western Canadian bulk grain to export vessels reached 10.83m tonnes on December 31, the board said in a news release.

That does not include products such as flour or exports of Eastern Canadian grain normally are included in Canadian export statistics, it said.

Last autumn, following the harvest of a record prairie grain crop, the board announced an export target of 26m tonnes of western grains, oilseeds and products for the 1981-82 crop year, which ends on July 31, it said.

The target is 13 per cent higher than the previous record set in 1979-80. Reuter

# More Thai tapioca sold

BANGKOK — Thai tapioca

exports last year rose to 6.7m tonnes valued at \$732.9m or 1.91m tonnes and \$36.8m more than the previous year, the foreign trade department said.

Of last year's exports, 6.35m tonnes were in the form of pellets and chips valued at \$667.4m and 816,661 tonnes were in the form of flour worth \$65.4m.

The EEC remained Thailand's most important buyer last year with 5.3m tonnes shipped against 5.8m tonnes approved for export.

Main buyers outside EEC last year were the Soviet Union with 311,900 tonnes, Taiwan, 82,250 tonnes and South Korea, 85,290 tonnes.

The Thai cabinet has approved a recommendation that Thai tapioca products be bartered for Soviet fertiliser.

The quantities involved are 500,000 tonnes of tapioca products against 51,968 tonnes of fertiliser. The deputy Agriculture Minister estimated the value of the fertiliser at over \$10m and added that a barter agreement will be signed very soon. Reuter

# Japan pulp makers in tree project

TOKYO—The Japanese paper

industry is now studying the possibility of an important afforestation project in South-East Asia in order to secure paper pulp materials, the industry confirmed yesterday.

An official of the Japan Overseas Afforestation Association told Kyodo News agency that the first phase of the project calls for afforestation of 120,000 hectares of land in four places—Mindanao in the Philippines, Balikpapan in Indonesia, Open Day in Papua New Guinea and Guadacanal in the Solomon Islands.

The Japanese industry plans to invest over ¥20bn (\$90m) in the first phase to produce 2m cubic metres of pulp annually over a period of 10 or 15 years, accounting for some 15 per cent of Japan's annual pulp imports.

Japan is the world's second largest producer of paper pulp. In the first phase works out smoothly, the second phase will be undertaken on a scale three to five times larger than the first, he said.

In Mindanao where the project will be carried out on the largest scale, Philippine Industrial Corporation (Picop), the Philippines' largest paper maker, has proposed the establishment of a joint venture

# BP in eel marketing scheme

By Diana Smith in Lisbon

British Petroleum and Eimenco, a Portuguese holding company, have begun exporting live eels to Holland. This unusual joint venture is part of BP's diversification programme, and was co-ordinated by the oil group's Dutch subsidiary, Hendrix, which, among other items, manufactures food for fish.

The venture began two years ago when BP of Portugal and its local partners set up indoor and outdoor tanks to breed and fatten up eels to the standards appreciated by the Dutch, who are big consumers of smoked eels. The first export of 5 tonnes (about 40,000 eels) was made before Christmas in eel-tanker lorries owned by their clients.

# New Zealand Meat exports at record levels

BY DAI HAYWARD IN WELLINGTON

MEAT shipments from New Zealand reached a record 767,370 tonnes in the season just ended. This was a jump of 33,920 tonnes over the previous year.

More than half of the meat shipped to 36 different countries around the world was lamb. Total lamb shipments of 373,944 tonnes were up by 25,742. But in spite of the increase in lamb shipments, the tonnage sent to the UK—almost a century NZ's main customer—dropped by 30,000 tonnes. This was because of better prices and a growing demand from Middle East countries.

The implementation of the EEC sheepmeat regulation and the seamen's strike in February also caused a distortion in the market which contributed to the drop in supplies to the UK. Total shipments of lamb to Britain during the season was 151,952 tonnes. The NZ meat industry plans to increase lamb exports to the UK in the 1981-82 season. A minimum target of 175,000 tonnes has been set by the Meat Board

# AMERICAN MARKETS

NEW YORK, January 6

Fears of increases in interest rates attracted cautious selling in precious metals and copper. Sugar advanced on technical basis and short covering while coffee declined on long liquidation. Cocoa loss ground in the absence of any reaction to additional news by Brazilian banks to the I.C.O. Cotton advanced on short covering and moderate trade buying. The livestock complex advanced sharply as unfavourable weather interfered with live marketing, reported Herald.

Gold—\$310.00 (Jan 5), \$310.00 (Jan 6), \$310.00 (Jan 7).

Copper—\$1.25 (Jan 5), \$1.25 (Jan 6), \$1.25 (Jan 7).

Silver—\$16.50 (Jan 5), \$16.50 (Jan 6), \$16.50 (Jan 7).

Platinum—\$1,200.00 (Jan 5), \$1,200.00 (Jan 6), \$1,200.00 (Jan 7).

Iron—\$40.00 (Jan 5), \$40.00 (Jan 6), \$40.00 (Jan 7).

Steel—\$30.00 (Jan 5), \$30.00 (Jan 6), \$30.00 (Jan 7).

Aluminum—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Zinc—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Nickel—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Lead—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Sn—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Antimony—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Mercury—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Vanadium—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Uranium—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Thorium—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

Other metals—\$1.00 (Jan 5), \$1.00 (Jan 6), \$1.00 (Jan 7).

# BRITISH COMMODITY MARKETS

BASE METALS

Commodity	Unit	Price	Change
Lead	tonne	331	-25
Zinc	tonne	437.50	-17
Copper	tonne	245.50	-12
Nickel	tonne	2900	+25
Aluminum	tonne	8302.50	+2
Tin	tonne	748	0
Iron	tonne	40	0
Steel	tonne	30	0
Antimony	tonne	100	0
Mercury	tonne	100	0
Vanadium	tonne	100	0
Uranium	tonne	100	0
Thorium	tonne	100	0
Other metals	tonne	100	0

# Advertisement award for wool

THE INTERNATIONAL Wool

Secretariat has won a first-place award at the 11th annual U.S. television commercial film festival. Its winning advertisement gained the women's category award. It was for Woolmark knitwear.

Emphasising the long-lasting good looks of pure new wool knitwear, this was the latest in its sheep commercials series and was chosen to head the secretariat's autumn television campaign. There were more than 1,500 entries to the festival.

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## A NEW RANGE OF COMMODITY SERVICES ON THE REUTERS MONITOR

Exchange prices, prices contributed by market makers, statistics, news and foreign exchange rates.

**METALS**

**COCOA RUBBER**

**COFFEE SUGAR**

**PETROLEUM**

**GRAINS/OILSEEDS**

**SOYABEAN MEAL**

**WHEAT**

**RUBBER**

For further details please telephone John Roberts in London on 01-251 7485 or contact your local Reuters office.



Equity leaders rally from early dullness and close with burst of strength despite Wall St weakness

Account Dealing Dates Option
\*First Declara- Last Account Dealings Cons Dealings Day

London stock markets late yesterday cast off Wall Street and other U.S. influences with impressive results. Leading shares, which were opened lower across the board but then staged a progressive technical recovery...

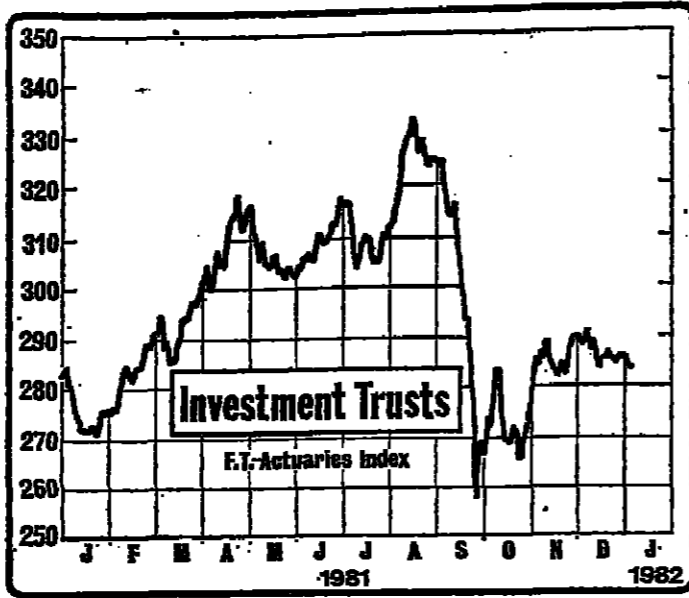
Throughout official trading, the recovery was largely technical with bear-covering increasing as leading equities rallied. But the final flourish may well have represented revived institutional activity, despite a simultaneous fresh bout of weakness on Wall Street early yesterday.

Lyons. Earlier in the session, T. W. Ward responded to increased offer terms and rumours that bidders RTZ were buyers in the market, which also witnessed a raid on Arthur Holden's International Paint announced later that it had acquired a 12 per cent stake which left Holden at 153p for a rise of 50 on the day.

Government securities also regained part of the ground lost on Tuesday. The firmer opening tone in this sector reassured the equity sectors and helped leading shares to recover from 10.00 am onwards. Longer Gilts, however, struggled to hold their improvements despite a souder market early yesterday. Ahead of today's application for the 2500m issue of special low-coupon Treasury 3 per cent 1987, the shorts made a better showing and staged rises extending to 1.

The subdued performance of the underlying securities resulted in a sharp contraction of interest in Traded options contracts completed yesterday amounting to 1,101 compared with Tuesday's 1,997. British Petroleum and Shell Transport attracted 119 and 116 calls respectively, while 164 calls were struck in GEC.

Guinness Peat rise Unsettled on Tuesday by reports that the Stock Exchange is studying the share price movements prior to the announcement that a partial offer might be made for the company, Guinness Peat rallied smartly



to close 7 higher at 95p, after 47p, following Press comment. Elsewhere in a firmer banking sector, Bank of Scotland rose 17 to 515p on revived bid speculation. Reflecting awaiting the Monopolies Commission decision on the controversial bids from Standard Chartered and Hongkong and Shanghai, Royal Bank of Scotland gained 11 to 197p. The major clearing Banks picked up on technical considerations. Lloyds regained 8 to 428p as did NatWest, 408p.

After an uncertain start, leading Buildings rallied on the appearance of cheap buyers and closed narrowly mixed. Tarmac slipped to 398p before closing just 2 cheaper on balance at 402p following the agreement to merge its offshore oil and gas exploration interests with those of Canadca, 2 firmer at 212p, after 204p. Recently firm Wiggins Group attracted a reasonable business and finished 4 cheaper at 86p. Burnett and Hallamshire improved 10 to 93p following Press comment.

ICL marked down to 286p at the outset on Wall Street influences, rallied on the appearance of buyers to close 2 dearer on balance at 290p. Marked a few pence easier at the outset, leading Stores soon recovered and most finished a shade firmer for choice. Gussies 4.1 touched 455p before rallying to 455p, a net gain of 2. Mothercare, a dull market of late, attracted scattered support and rose a couple of pence to 157p, while prospective merger partners Habitat added a similar amount to 115p. Cornell Dresses remained under pressure and eased 3 for a two-day fall of 11 to 152p, but Polly Peck revived with a gain of 10 to 355p. Dixons Photographic, first-half figures scheduled for next Thursday, shed 5 to 155p.

Quest Auto. flat Quest Automation plummeted 39 to 100p, after 95p, on acute disappointment with the interim results. Elsewhere in Elec-

A. Holden jump

Arthur Holden highlighted miscellaneous industrials, jumping 50 to a peak of 158p, following the acquisition by stockbrokers Greenwell and Co. in a dawn raid of a 12 per cent stake in the company at a price of 150p per share on behalf of International Paint; the latter added 5 to 217p. T. W. Ward rose 12 for a two-day advance of 20 to a 1981-82 peak of 230p in response to the increased but rejected bid terms offered by RTZ. T.W.W.'s 7 1/2 per cent convertible 1997/2002 gained 12 points to 1184 in sympathy. This new development also prompted a sympathetic gain of 15 to 525p, after 530p, in Tummel B which stands to receive a bid from RTZ if the latter's offer for Ward is successful. News of a director's resignation and subsequent share disposal left Wolverhampton Steam Laundry a couple of pence better at 52p. Silentnight rose 4 to 83p following the forecast of record profits for the year. Carlton Industries closed unaltered at 200p; the price in yesterday's issues was incorrect. The leaders rallied after a dull start, but the possible purchase of a loss-making British Steel subsidiary left Trafalgar House a penny down at 128p. After consideration of the annual results left Pleasurama 2 cheaper at 303p. Black and Edgington, a volatile market of late, put on 4 to 52p on revived bid hopes.

Newspapers remained quietly dull on preliminary results due next Thursday, gave up 2 more to 173p. Among Paper/Printings, McCorquodale announced full-year earnings in excess of general expectations and closed 6 to the good at 136p. John Waddington's results today held steady at 180p. Revived interest lifted Mills and Allen 15 to 445p, while a Press mention added BPC, a penny dearer at 27p.

Marked easier at the outset, Properties rallied in the absence of selling and, on the appearance of cheap buyers, closed with modest gains. Land Securities finished 4 dearer at 294p, after 288p. Among the bid situations, London Shop Property firmed 2 to 137p compared with the 135p per share offer from Rosebough, 5 up at 255p. Further consideration of the Great Estates bid terms for the company left CHY Offices a penny firmer at 124p; Graycoat improved 3 to 150p. On the other hand, Berkeley Hambro, which has agreed to merge with Tawa and City, shed 4 for a two-day fall of 12 to 329p.

Oil down again Overshadowed by the continuing weakness in crude prices and the outright setback on Wall Street, Oil shares gave further ground. Fresh falls in the leaders were modest, British Petroleum closing only 2 cheaper at 300p and Shell 4 off at 390p. Exploration issues, in contrast, recorded some fairly substantial

losses. Falls of 10 were marked against Berkeley, 345p, Cambridge, 285p, Flair Resources, 170p, and Pict Petroleum, 150p. Against the trend, Jackson Exploration firmed 4 to 106p in response to an investment recommendation. Movements in Overseas Traders usually favoured holders. S. and W. Berksford featured with a gain of 7 to 126p; the annual results are due next Thursday. Inchange rose 5 to 270p while Toner Kemsley and Millbourn attracted call option money and added a couple of pence to 72p, after 73p.

losses. Falls of 10 were marked

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Among Financial Trusts, Aikter Home, reflecting an investment recommendation, advanced 10 to 165p, while Kitchen Taylor, awaiting today's preliminary statement, rose 7 to 102p. Ahead of the interim results, due shortly, Mercantile House eased a fresh to 400p before settling at 410p for a fall of 15 on the day.

Shipments were highlighted by a revival of bid speculation in P. and O. Deferred which were briskly traded and closed around the day's best with a rise of 9 at 133p.

Gold down

Mining markets met persistent selling prompted by sharp falls in base-metal and a marginal decline in precious metal prices. South African Golds were steady at the outset following light support from Johannesburg, but subsequently fell away on lack of interest and scattered selling to close showing minor losses.

The Gold Mines index eased 1.1 to 300.9—its fifth loss in six trading days, while the bullion price closed S3 easier at \$402.5 an ounce. Losses in the heavyweights extended to 1 1/2 in Randfontein, 250.1, and St. Helena, 116, while the medium- and lower-priced stocks showed Kinross 7 cheaper at 415p.

The trend in metal prices depressed London Financials. Gold Fields and Charter gave up 3 pence to 472p and 245p respectively while Rio Tinto-Zinc fell to 424p following the increased bid for T. W. Ward before recovering to close a net 3 cheaper at 427p. The overnight weakness on Wall Street, fears of higher interest rates, depressed metal prices and a sharp fall in Sydney and Melbourne overnight unsettled Australians. The leaders were particularly vulnerable and continued to lose ground after an initial mark-down. MIM Holdings fell 8 to a 1981-1982 low of 176p, while similar losses were seen in Gold Mines of Kalgoorlie, 260p, Remson, 255p, and Western Mining, 234p. Peko-Walsend dipped 10 to 330p. In the more speculative stocks, Western Continental closed 10 down at a 1981-82 low of 40p and Kitchener 5 cheaper at a low of 95p.

RECENT ISSUES table with columns for Issue Price, Amount, Date, and Stock details.

FIXED INTEREST STOCKS table with columns for Issue Price, Amount, Date, and Stock details.

"RIGHTS" OFFERS table with columns for Issue Price, Amount, Date, and Stock details.

ACTIVE STOCKS table with columns for Stock, Closing Price, Day's Change, and Stock Price Change.

TUESDAY'S ACTIVE STOCKS table with columns for Stock, No. of closing price, Day's change, and Stock price change.

FINANCIAL TIMES STOCK INDICES table with columns for Index Name, Jan 6, Jan 5, Jan 4, Dec 31, Dec 30, Dec 29, and Year Ago.

10 am 519.5, 11 am 516.5, Noon 517.6, 1 pm 518.7, 2 pm 518.5, 3 pm 520.0, Latest Index 01-206 8029, \* NI = 14.37.

HIGHS AND LOWS S.E. ACTIVITY table with columns for Stock, High, Low, and Daily Gilt Edged Bargains.

INTEX advertisement with logo and text: 'This new Exchange is the fastest and most accurate futures trading system anywhere—and it's world-wide. That's INTEX. Yes, that's INTEX.'

Bermuda, June 17, 1982 - INTEX advertisement detailing membership benefits, fast trading, limited membership, and accurate execution.

NEW HIGHS AND LOWS FOR 1981/2 table listing various stocks and their performance.

RISES AND FALLS YESTERDAY table showing stock price movements from the previous day.

OPTIONS table with columns for First Deal, Last Deal, Last Settlement, and For Settlement.

FT-ACTUARIES SHARE INDICES table with columns for Equity Groups & Sub-sections, Wed Jan 6 1982, and Year Ago.



Handwritten note in top right corner.

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs. Co., Abbey Growth, Abbey Income, etc., with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including L & C Unit Trust Management Ltd., Legal & General (Unit Tr. Mgrs.) Ltd., Lloyds Bank Unit Tr. Mgrs. Ltd., etc., with columns for name, manager, and performance data.

Table listing various insurance and investment services such as The London & Manchester Ass. Co., Schroder Life Group, Scottish Amicable Inv. Mgrs. Ltd., etc., with columns for name, address, and contact information.

Vertical text on the left margin, possibly a page number or reference code.

INSURANCE PROPERTY BONDS

Table listing insurance and property bond services, including details on various policies and providers.

NOTES section at the bottom left, providing additional information and disclaimers.



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FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

Table of British Funds with columns for Name, Price, and Yield.

Five to Fifteen Years

Table of funds categorized by 5 to 15 year maturity.

Over Fifteen Years

Table of funds categorized by over 15 year maturity.

Undated

Table of undated funds.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

Table of international bank and overseas government sterling issues.

CORPORATION LOANS

Table of corporation loans.

COMMONWEALTH AND AFRICAN LOANS

Table of commonwealth and African loans.

CANADIANS

Table of Canadian funds.

Consolidated Accounts in Europe

Text describing consolidated accounts in Europe, mentioning Ernst & Whimley.

LOANS

Table of loans.

BANKS AND HIRE PURCHASE

Table of banks and hire purchase.

CHEMICALS, PLASTICS—Cont.

Table of chemicals and plastics.

ENGINEERING MACHINE TOOLS

Table of engineering machine tools.

DRAPERY AND STORES

Table of drapery and stores.

BEERS, WINES AND SPIRITS

Table of beers, wines and spirits.

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Table of building industry, timber and roads.

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Table of electricals.

FOOD, GROCERIES—Cont.

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Table of hotels and caterers.

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Table of industrial miscellaneous.

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Saitama Bank advertisement with logo and contact information.

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Petroleum, Shell, and ICI.

LEISURE

Table of leisure stocks including companies like British Skyways and British Telecom.

PROPERTY—Continued

Table of property stocks including companies like British Land and Wimpey.

INVESTMENT TRUSTS—Cont.

Table of investment trusts including companies like British Venture and British Venture.

OIL AND GAS—Continued

Table of oil and gas stocks including companies like British Petroleum and Shell.

MINES—Continued

Table of mining stocks including companies like Anglo American and De Beers.

MOTORS, AIRCRAFT TRADES

Table of motor and aircraft trade stocks including companies like British Aerospace.

SHIPPING

Table of shipping stocks including companies like British Overseas Airways.

SHOES AND LEATHER

Table of shoes and leather stocks including companies like British Shoe.

SOUTH AFRICANS

Table of South African stocks including companies like Anglo American.

TEXILES

Table of textile stocks including companies like British Textiles.

OVERSEAS TRADERS

Table of overseas trader stocks including companies like British Overseas Airways.

NEWSPAPERS, PUBLISHERS

Table of newspaper and publisher stocks including companies like News International.

PAPER PRINTING ADVERTISING

Table of paper, printing, and advertising stocks including companies like News International.

TOBACCO

Table of tobacco stocks including companies like British American Tobacco.

TRUSTS, FINANCE, LAND

Table of trusts, finance, and land stocks including companies like British Venture.

RUBBERS AND SISALS

Table of rubber and sisal stocks including companies like British Rubber.

TEAS

Table of tea stocks including companies like British Tea.

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Table of property stocks including companies like British Land.

INSURANCE

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Regional Markets and Options sections at the bottom of the page.



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W. Germany in aid offer to Poland

BY JONATHAN CARR IN BONN

WEST GERMANY is ready to work with its Western partners to give "substantial financial aid" to Poland if Warsaw's military leadership permits a return to economic and social reform.

lifting martial law, releasing those detained since the state of emergency was imposed on December 13, and permitting further dialogue with the Solidarity union and the Catholic Church.

These demands were made by the EEC countries after a meeting of Foreign Ministers in Brussels on Monday and in the statement issued by Herr Schmidt and President Reagan after their talks in Washington on Tuesday.

Bonn made it clear last month that it will withhold new economic aid to Poland "so long as the repressive measures there persist."

Reagan and Chancellor Schmidt had agreed in their talks here on Tuesday that the U.S.-Soviet negotiations in Geneva on European nuclear missiles should go ahead despite the Polish crisis.

Spending in Ulster to be raised by £90m

By Brendan Keenan

THE GOVERNMENT will increase its spending in Northern Ireland in the coming financial year by £90m over the level laid down in the recent public spending White Paper.

The increase, announced by Mr. James Prior, the Northern Ireland Secretary in Belfast yesterday, means that Government spending in Ulster in the next financial year will be just over £3.5bn.

Housing and youth employment training will take priority in the programme. In addition, an extra £12m will be provided for the security services, mostly for extra police and prison staff.

Agriculture, Ulster's biggest industry, will receive an extra £16m and the social services £12m.

The Housing Executive will have an extra £50m to spend. This includes government funds, EEC grants of £16m and revenue from house sales.

This should enable 4,500 houses to be started this year. Mr. Prior hopes to achieve a sustained programme of 5,000 starts a year, which the executive believes is necessary to make an impact on the housing problem.

Northern Ireland will also get a Youth Training Programme a year ahead of the rest of the UK. Under the scheme, all 16-year-old school leavers will be given the opportunity of a year's full-time training.

Mr. Prior said he was beginning a campaign aimed at leading British manufacturers to attract more investment to Northern Ireland. An estimated £200m had been earmarked for industrial support and electricity charges were being pegged.

He said it would be some weeks before he was ready to announce any political initiative.

Ford

would not call off their action until the announcement of the ballot result.

Mr. Steve Broadbent, the Halewood body plant convenor, said that the men would not call off their action without holding a fresh vote, possibly at a mass meeting on Friday.

Some 1,660 Ford workers at Swansea also went on unofficial strike yesterday after voting by a large majority to throw out the deal. But they are expected to accept a majority verdict and return to work on Friday.

HOW THEY VOTED

For the pay offer

Table with columns: Plant, Total employees, For, Against. Rows include Aveley, Basildon, Dagenham, Daventry, Oulton, Enfield, Leamington, Southampton, Treforest, Woolwich, Belfast, Bridgend, Dagenham-car kits, Halewood, Swansea.

Plants which had not yet voted last night: the night shifts at Dagenham's assembly works (2,300), body shop (2,900) and Engine divisions (2,000); Halewood's transmission plant (1,850) and Langley (2,300). The day shift at the Dagenham body plant was said to have recorded a "split" vote.

France ends 6-month price freeze

BY DAVID HOUSEGO IN PARIS

The French Government yesterday unveiled plans aimed at bringing down inflation from 1981's 14 per cent to 10 per cent by the end of 1982. The policy combines the unfreezing of prices of a substantial number of services, which were frozen for six months last October, with price moderation agreements between the authorities and specific sectors.

M. Jacques Delors, Finance Minister, who set out the strategy at the weekly Cabinet meeting yesterday, is hoping to persuade the unions to accept lower wages settlements in return for the continued limitation of price increases.

Manufacturing industry is to be exempt from controls be-

cause of the need to rebuild profit margins. Companies are still being asked, however, to moderate their price increases.

Relaxation of the six-month freeze on many service sector prices will apply to those industries which agreed to limit price rises this year, the Finance Ministry said.

Among those which have already agreed to keep their total price increases to 10 per cent this year are the hotel and restaurant industries, dry cleaners and car repairers.

The Government is hoping to reach similar accords with some 15 other service groups.

Retailers are also being pressed to accept a voluntary "price truce" under which they

undertake to freeze the prices of a wide range of consumer goods for three months. This is being backed by an extensive radio and television publicity campaign.

The Government also made clear yesterday that public sector corporations will be allowed to make only phased and limited increases in their charges.

The measures come as the rate of inflation has been slowing. The Government pointed out yesterday that the annual inflation rate was down to 12 per cent in the last three months of 1981 compared with 14 per cent for the year as a whole.

M. Delors hopes that as prices

Transatlantic business satellite link planned

BY JASON CRISP

BRITISH TELECOM has announced plans to link companies in the UK with the Satellite Business Systems private communications network in the U.S. which is jointly owned by International Business Machines, Comsat and Aetna Life and Casualty.

If approved by the U.S. Federal Communications Commission, the link-up will make possible transatlantic videon conferences between SBS subscribers—some of America's biggest companies—and companies in the UK and possibly elsewhere in Europe. Data transmission between the U.S. and UK would also become much easier for those companies.

Satellite Business Systems said yesterday that it had applied to the Federal Communications Commission for

authority for the link. It has already applied to link with companies in Canada. SBS hopes to have approval by the summer and start services to both countries by the end of the year.

SBS is also expected to apply for permission from the FCC for an international trans-Pacific link, probably to Japan.

SBS provides a wide range of advanced communications services and is aimed at large companies. It provides a direct link by satellite between small dish aerials mounted on the roof of customers' offices.

SBS says several of its customers — which include IBM itself, General Motors and a number of banks — have already asked to interconnect with the UK. Some British companies have asked British Telecom for links with SBS.

If the FCC approves, the SBS

communications system would be linked to Britain from an East Coast earth station via an ordinary telecommunications satellite over the Atlantic. The link up would probably be merely used for data transmission. The lower transmission speeds of the transatlantic communication satellites compared with those of SBS over the U.S. mean, however, that the service available between America and the UK would be more limited than that within the U.S. itself.

Large companies wanting to link their SBS communications with the UK would be likely to have private circuits from here to other European centres.

Thus, it would be possible to link other countries to SBS through the UK.

Sir George Jefferson, chairman of British Telecom, yesterday announced extension of dig-

ital transmission services inside the UK for business. Digital transmission gives greater flexibility, better quality, and a cheaper service, particularly for sending computer data.

British Telecom will offer a number of services under the general title X-Stream. These include:

• Megastream: High capacity private circuits for use by large banks, finance houses and industrial firms for transmitting large quantities of data around the country.

• Kilostream: Substantially less capacious private circuits which will be available by the end of the year and link London with 30 main business centres by the end of 1983.

• Switchstream: The packet switch service started last year, which is being extended. System X says drive in India. Page 4

Labour meeting Continued from Page 1

That they will organise a recruiting drive for the party among union members, put money and organisation into marginal constituencies and train party activists and officials.

It is expected the affiliated unions, which organise about 7m workers will raise members' political levy from about 1.4p a week to about 3p in the next year or so. These increases depend in most cases upon rule

revisions conferences, which are in some cases more than a year away.

The TULV expects its special fund to grow substantially after the meeting. Big unions such as the engineers, the transport workers and the electricians have not yet contributed.

A number of issues remain unresolved however. Policy issues such as the party's position on the European Community, disarmament and the

economy — are regarded by both sides as fair game, and may cause future division.

Right-wing union leaders were wary of believing that the Left in the constituencies will abstain from selecting far Left candidates. The outcome of the inquiry into the Militant Tendency and the status of Mr Peter Thatchell, the Bermondsey candidate, may also still be contentious.

RTZ raises bid Continued from Page 1

their revised terms about a final bid.

Ward owns 42 per cent of Tunnel Holdings, the cement manufacturer. A successful take-over by RTZ, which already holds nearly 9 per cent of Tunnel, could leave the mining group with control of about 20

per cent of the UK cement industry.

RTZ reminded shareholders yesterday that Tunnel had publicly supported RTZ's bid for Ward and said Tunnel now reaffirmed "its conviction that a takeover of Tunnel by Ward would be highly undesirable."

Ward's chairman said he was not surprised by this, but it presented rather a paradox. "Tunnel disagreed with our cement business strategy," he said. "But they are apparently agreeing with RTZ's, which looks distinctly similar as far as we can see."

Sealink officers call all-out strike

BY IVO DAWNAY AND ANDREW FISHER

Union officials representing 1,200 Sealink UK officers last night called for an immediate all-out strike at the company's nine domestic and Continental ferry ports in response to the British Rail subsidiary's decision to withdraw services between Newhaven and Dieppe and to reduce sailings from Harwich.

The action is likely to halt all Sealink UK sailings from midnight tonight.

The strike decision was taken unanimously last night after a four-hour meeting of port representatives at the London offices of the Merchant Navy and Airline Officers' Association.

Mr Eric Nevill, general secretary of the association, said the union saw no alternative to the stoppage.

"There seems little doubt that Sealink has decided to embark on a drastic programme of reducing shipping services and intends to pursue this with scant regard for the interests of its officers."

"Unless we can persuade the management to adopt a less aggressive attitude, the future of all Sealink officers looks very bleak."

The action would be called off only if the company withdrew the redundancy notices issued to officers at Newhaven and Harwich and agreed to the union's conducting a thorough examination of the company's plans, possibly under the scrutiny of an independent arbitrator.

The union's port representatives left London last night to organise the strike action. Ports which will be affected are Holyhead, Stranraer and Fishguard on domestic routes, and Continental ferry services from Dover, Folkestone, Harwich, Newhaven, Weymouth and Portsmouth.

Ferry services operated by other companies, including Continental operators using the Sealink name, should not be affected.

The strike call comes as Sealink UK, like other major ferry

operators, is trying to pull itself back into profitability after the debilitating price war of the last two years.

The Government wants to attract private capital to Sealink UK, which made a £3.8m loss before tax in 1980 and is unlikely to have done much better last year.

Sealink has fallen well below the financial targets set by the Government, but hopes with other companies that the average fare rises for 1982 of 15 per cent will bring about a return to the black.

The Monopolies and Mergers Commission recently ruled that European Ferries, owner of Townsend Thoresen, should not be allowed to bid for Sealink UK, a recommendation accepted by the Government.

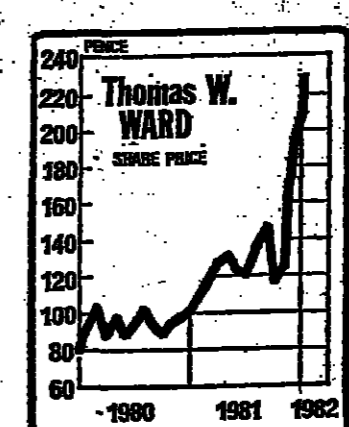
Last year Sealink and its Continental partners carried 17.7m passengers, nearly 8.5m of them across the Channel. Accompanying vehicles totalled more than 2m, of which 960,000 were on Continental routes.

THE LEX COLUMN

The struggle to Ward off RTZ

Tuesday's late rally in gilt-edged continued into yesterday, while the equity market was positively lively, with the FT 30-share index rising 10 points between 10 o'clock and the close. But there was a rather frosty look about much of the trading in equities, which seemed to be a mixture of bear closing and takeover speculation.

Index rose 5.6 to 523.7



RTZ's 190p share bid for Thomas W. Ward has looked increasingly unlikely to succeed, and yesterday, with three weeks of the offer left to run, the mining group boosted its offer to 225p cash plus 5.2p of Ward dividend, or a convertible alternative. It was able to pick up a fair amount of shares in the market at 230p, cash-dividend, and now speaks for something over 20 per cent of Ward. The new bid is "virtually certainly final," which in terms of the Take-over Code is so much hot air; it seems probable that RTZ is simply holding back the announcement that these are indeed the final terms until the moment of maximum theatrical effect.

The increased offer values Ward on roughly 15 1/2 times historic fully-taxed earnings, or 12 times its current year forecast—more importantly it represents a premium of nearly 80 per cent over the market price ruling before hostilities began. Ward is still fighting hard, though: it has argued all along that its Tunnel holding was worth £55m or 94p a share, and is sniffy about the earnings multiple implied for the rest of its business. But this residual arithmetic works against Ward in the end, for if the Tunnel stake really is worth 94p a share, the offer for the rest of Ward has been raised by 40 per cent.

Many institutions would no doubt rather invest in an independent Ward than see their interests swallowed up in a giant like RTZ. Some may be unhappy about supporting a bid which has its ultimate origins in RTZ's need to find UK earnings to supply tax-efficient cover for its dividend. But at this price level, misgivings will probably be outweighed by hard cash, especially since an independent Ward would probably renew its bid for Tunnel presumably at or above the 550p a share price tag it has put on its own Tunnel stake. This could not do the Ward share price much good in the short term. The present position, so

profitable for shareholders in both Ward and Tunnel, would never have been reached if the two chairmen had been able to resolve their companies' unstable relationship without recourse to a contested takeover bid. As it is, the bill for their quarrel is being spread thinly among the legions of RTZ shareholders.

U.S. bonds

The New York bond market has established little sense of direction so far this year and yesterday's Delphic pronouncements by the U.S. Treasury Secretary failed as usual to inspire much confidence. Prices slipped on Tuesday following the New Year message of Dr. Henry Kaufman and the publication of weaker than expected M1-B figures. With the yield on 10 year government bonds still wobbling above 14 per cent, corporate treasurers have not been tempted to seek new funding.

So the market is still waiting for a real test of the level of demand. Last night's \$34bn auction of seven-year notes—all of it new money—could provide some guidance but, until the backlog of corporate offerings starts to unwind, institutions may prefer to sit it out.

Typically enough, the Federal Reserve is giving nothing away. It stopped adding reserves on Tuesday as unspent Christmas money was already flowing back into the banking system and holding the Federal Funds rate close to 13 per cent. Yesterday afternoon, as Fed funds slipped below 12 per cent, it began draining funds from the market.

Mr. Regan, by contrast, is making his views very clear. The suggestion of higher taxes, later played down by the White

House, may land some credence to his forecast that the budget deficit will remain below \$100bn in fiscal 1983 and 1984. But so such pledge is given for the current year when the prospect of overcrowding in the debt market could again jeopardise the corporate sector's attempt to restructure balance-sheets on a more long-term basis.

Tax havens

Companies have now had a month to examine the Inland Revenue's proposed tax haven legislation — and they don't like what they see one bit. The legislation is a somewhat tardy reaction to the dismantling of exchange controls in October 1979. Since then it has not been beyond the wit of GB plc to set up a subsidiary in Liechtenstein, to hold its spare \$1m of cash and accumulate the comforting interest receipts. The maximum tax rate in Liechtenstein is an even more comforting 15 per cent.

Such activity was difficult under exchange controls, when approval for exporting cash was required from the Bank of England and there were profit repatriation requirements. No one knows how much money has been channelled from the UK to tax havens in the last two years, but judging from the big holes in the CSO statistics, the amount could run into billions. In theory the Revenue already has the legislation to tax interest receivable by UK residents, regardless of where it arises. But it clearly has little confidence in the efficacy of its powers—which explains the tough nature of the new proposals.

These include a tighter definition of company residence and rules for taxing any company controlled from the UK that is situated in countries with low effective rates of tax. The main exception is when the subsidiary is engaged in genuine trading activities. So tax inspectors will once again be forced to make judgments on commercial practice, while the actual legislation contains enough obscure words and phrases to keep the courts happy for 20 years. Among the most vulnerable may be captive insurance companies, although any financial institution may find itself in difficulties explaining the difference between trading and collecting interest. The present intention is to introduce the legislation in the next Budget—but it looks as if formidable opposition is building up.

Weather

UK TODAY CLOUDY, with outbreaks of snow in the south and Scotland. London, S.E. and Cent. S. England, S. Wales. Sunny periods with snow possible. Windy. Max. 2C (36F).

Midlands, E., N.W. and Cent. N. England, N. Wales, Isle of Man, N. Ireland. Dry, with slowly-clearing fog patches. Max. 2C (36F).

S.W. England, Channel Isles. Rain or snow showers. Strong winds. Max. 4C (39F).

Elsewhere. Snow showers. Sunny intervals. Max. 1C (34F).

Outlook: Snow in places. Widespread frost.

WORLDWIDE

Table with columns: City, Y'day, M'day, F'day, Y'day, M'day, F'day. Rows include Ajaccio, Algiers, Amsterdam, Athens, Bahrain, Beirut, Belfast, Belgrade, Bern, Biarritz, Birmingham, Blackpool, Bordeaux, Boulogne, Bratislava, Brussels, Cardiff, Casablanca, Cebu, Chicago, Cologne, Copenhagen, Dortmund, Dublin, Edinburgh, Eindhoven, Frankfurt, Geneva, Glasgow, Hamburg, Harbin, Helsinki, Innsbruck, Inverness, Io.Mean, Istanbul, Jersey, Jo'burg, Lima, London, Lucerne, Lyons, Madrid, Manchester, Maracaibo, Melbourne, Mexico City, Miami, Milan, Moscow, Mumbai, Nagasaki, Naples, Nicosia, Oslo, Oporto, Paris, Perth, Rome, Rio de Janeiro, Rotterdam, Santiago, Sao Paulo, Seville, Singapore, Stockholm, Strasbourg, Sydney, Taipei, Tientsin, Tokyo, Toronto, Vancouver, Warsaw, Wellington, Zurich.

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